U. S. Outlook and Canada (Page 11)

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The Nation's Business

Relief Has Become Racket

Need is Urgent For Investigation

Government Policy of Selling Wheat is Approved

Canada and the A.A.A.

Relief Racket Grows in Canada

THE considered statement of the Canadian Welfare Council that "the unemployment and unemployment relief problem has not lost but increased in seriousness in the past 12 months" is one which affects the heart and pocketbook of every Canadian.

The crux of the problem is that this winter Canada has some 1,100,000 men, women and children being aided by unemployment relief funds at a monthly outlay of more than $6,500,000 with the probability that numbers and costs will have moved rapidly upward 10 to 15 per cent by the middle of March.

This burden promises to be but little lighter than last year. When it is realized that the current figures exclude some 90,000 persons formerly on relief in the dried-out areas of Saskatchewan and also that practically 50 per cent of our relief bill is centred in 12 cities which have but 25 per cent of the population of Canada, the fact emerges that "there has been a more disturbing enlargement of the socially dependent in the urban and industrial centres within recent months than first glance would indicate."

* * *

DIGGING deeper, the Council finds that wider introduction of cash relief in many centres without prior reorganization or adequate supervision and investigation services has apparently added to costs and number on relief. It deplores the current impatient tendency of municipalities to seek "short-cuts" by flat rate schedules, cash relief grants, etc. which "while they may appear on the surface to promise reduction in administrative costs cannot but prove costly substitutes."

There is an urgent need for a simple, efficient control of the tremendous burden of taxation, partly unnecessary, imposed on all Canadians by Mr. Bennett's "free for all, everybody welcome, strangers invited" dole system. It has become the greatest nation-wide racket in the history of the country. The most optimistic despair of ever seeing relief payments eliminated.

Few people are willing to speak out in protest against the Relief Racket. Many fear they will be misunderstood and be accused of lacking humanity. But only a part of the present vast expenditures in relief represent necessary expenditures for humanitarian purposes. Against this there can be no protest. The rest is sheer political graft, bribery and extravagance and should be fought by every citizen.

* * *

RELIEF and other forms of public charity are now factors in the strategy of every politician. It is old-fashioned nowadays to seek votes by promises of new post offices, bridges or other public works. The accepted political bribe today is tied up with "Social Services"—that new magic word of politics. Our political leaders and their followers promise old-age pensions, extended mothers' allowances, enlarged relief payments, etc. They give no thought to cost, or to administration, or to social consequences or to the economic burden.

Clearly, there is need for taking first relief and then other social benefits out of the political mud where they are today.

On four occasions now the Canadian Welfare Council, a quasi-official body under the competent direction of Miss Charlotte Whitton, has made a plea for national leadership in this problem by creation of "an independent advisory commission national in scope, as affording the only hope of effective control; and constructive treatment of the problem through local administrative services, but on comparable lines of treatment in a national plan; and divorced from direct political influence all along the line through the intervention of responsible supervisory boards of representative citizens."

* * *

SUCH a non-political body would be effective only if it were comprised of a small number of capable and active authorities. And it could do little more than advise. If politicians did not take the advice, the only result would be that a new way to spend money without result would have been devised.

At the recent Premiers' Conference some steps were taken toward appointing a national commission on

(Continued on page 2, col. 4)

May Protect Central Bank Shareholders

Nationalization Policy Has Not Been Decided

MANY ALTERNATIVES

Government Control May be Attained Without Disturbing Stock Ownership

From Our Own Correspondent

OTTAWA.—Authoritative information at Ottawa is to the effect that the government policy with respect to the nationalization of the Bank of Canada has not yet been considered by the cabinet. Nor has it been worked out by the ministers whose responsibility it will be to do so.

Reports during the past week that conferences were taking place at Ottawa on this question between Premier Mackenzie King, Hon. Charles A. Dunning and officials of the bank are unfounded. Conferences took place but not with respect to this question.

Shareholders Considered

One thing only seems fairly clear. It would seem unlikely that any amendments to the Bank of Canada Act would be offered by the government which would disturb present shareholders in possession of their stock.

Judging by entirely unofficial but reliable information current in political circles, members of the cabinet are examining the many measures which might be adopted to nationalize the bank. There are at least a score of them and they vary from the extreme line of action which would call for the purchase of the outstanding stock of the bank from the present shareholders to a simple statement by the government that the existing statute, upon close inspection, adequately meets the requirements for a publicly owned constitution. In between are many variations. For example, the government might issue to itself sufficient stock to give it majority control. Or the act might be amended to abolish the present board leaving the government sole power to appoint a new one. And the government might then reappoint the present board.

Canada's Trade Is Uninjured By A.A.A. Upset

See No Price Weakening Cattle and Wheat in U. S.

PACT NOT INVOLVED

From Our Own Correspondent

WASHINGTON, D.C.—Though administration officials are generally suffering nerve shock still from the sweeping overturn of the Agricultural Adjustment Act by the U.S. Supreme Court, opinion here seems to think that there will be little effect on rising trade with Canada. Chief reason is that increased import quotas provided for Canadian cattle, lumber, cream, etc. are fixed in the new Canadian-American trade agreement and are not directly affected by provisions of the A.A.A.

Little Effect on Prices

A despatch from Ottawa that livestock and grain growers in the West are fearful that defeat of A.A.A. might lower prices on the Chicago market, cutting down a new and growing export trade from Canada is not borne out so far by market performance. On the contrary, with the removal of the processing tax of $1.50 per 100 pounds of pork, hog prices have shown a tendency to rise. Moreover, no other livestock but hogs was covered by A.A.A. contrary to general belief. As for grain, imported Canadian wheat products had to pay the same processing tax as American. With abolition of the processing tax, Canadian imported wheat remains relatively in the same position to American.

Luck With Trade Pact

Secretary of Agriculture, Wallace, announced today that sugar quotas provided for under the A.A.A. and established by the Jones-Costigan Act of Congress would remain in effect. That applies also, of course, to all quotas in all the new foreign trade agreements.

Canadians here interested in the new trade treaty regard it as a lucky break for Canada that the treaty was effected before A.A.A. was killed by the Supreme Court. The reason is a psychological one. Western farmers and livestock growers were much less likely to make an uproar over foreign imports so long as they believed their market was bolstered by the A.A.A. Now that this protection is removed, some protests may begin to be heard over imports from Canada. But that depends largely on market performance and the

(Continued on page 2, col. 4)

Dominion Pursues Loan Council Plan

From Our Own Correspondent

OTTAWA.—With provincial treasurers due at Ottawa on Monday, Jan. 13 to resume discussion of financial questions, the policy with respect to federal loans to the western provinces is assuming increasing importance.

Reliable information indicates that the Dominion intends to persevere with the proposed loan council and a refunding of provincial debts under Dominion guarantee.

At least one of the western governments has pronounced against this policy and it remains to be seen if common ground can be reached.

Meantime, there is nothing to show that Ottawa has agreed to assist Alberta in meeting the $2 millions domestic loan maturing on Jan. 15. It is possible that Premier Aberhart will be able to refund the loan or liquidate it. This is not known here. Ordinarily, the announcement of a new loan from Ottawa would have appeared several days ago.

Car Dealers Fear Effect U.S. Dumping

Industry Concerned Lest Embargo on Used Cars is Dropped

BIG INVENTORIES

As the full dress parade of Canada's automobile industry resumed at Ottawa this week before the tariff board, much concern is in evidence among Canadian automobile dealers at the prospect—hinted at in the preholiday sessions of the board, that the embargo on importation of used cars from the United States might be removed.

The Dominion Automobile Dealers Association (headed by James R. Dixon) recently-formed, rapidly growing, and representing the most successful effort so far of motor car dealers in Canada to get together, spent the holiday recess in preparing their defense of the used car embargo.

Embargo Since 1931

The Bennett budget speech of June 1, 1931, announced complete prohibition of the importation of used cars into Canada, going further than even dealer representations had urged. The D.A.D.A. plans to submit evidence to the tariff board that the embargo has had no bearing on the price of used cars in Canada. Actually (they claim) differentials in prices of used cars in Canada and the United States were greater prior to the imposition of the embargo than they are now. The embargo, dealers will attempt to show, has not been, and never can be, a stabilizing factor in the price of used cars on either side of the line.

Comparison this week of a 1933 Buick in Toronto and New York showed the price in Canada $725 and in the U.S. to be $395.

Manufacturers of machinery and factory supplies for the car and parts industry are also aflutter, fearing suggestions at the December hearings that lowering of, or elimination of, customs duties on machinery, materials, etc., would permit lower prices.

Loaded With Inventory

Any current action which would reduce the price of used cars in Canada at the present time would affect millions of dollars of inventory throughout Canada and would hit dealers at a most vulnerable point, it is claimed.

Dealers throughout the continent are said to be chock-full of used cars due to earlier introduction of 1936 models which brought heavier fall and winter sales of new cars with a consequent building up of traded-in stocks of used cars for resale at a time when it is difficult to dispose of them.

Figures from 29 Toronto dealers who in October had cut down used cars stocks to 18½ per cent of what they were the previous year, in anticipation of early sale of new models, found themselves in November with 1,445 cars valued at $500,000 which is 7 per cent higher than corresponding figures last year.

December stocks it is said are very much higher though no figures will be available for another week.

Force Bankruptcy

Thus dealers feel they would face bankruptcy if prices were forced down by competition of lower priced lots dumped from the United States where the situation as indicated recently in Iron Age (N.Y.) is as follows:

"With the market glutted with old cars, prices of used vehicles already are beginning to come down, and officials of dealers' organizations voice the fear that, in the next two months, a real 'break' will occur in prices. If this happens, many dealers who have not handled their operations in the most judicious fashion will find themselves in a financial 'squeeze.' The chances are that mortality among dealers will be heavy during January and February."

Capital investment of 150 dealers is $6,777,833, or a dealer average of $19,400. There are something over 2,600 dealers in Canada.

Change Needed In Labor Codes Liberals Aver

Ontario Labor Dept. Officials Admit Revision Necessary

UNDER CONSIDERATION

Appeal Court Rulings on Industrial Standards Act Bring Matters to a Head

By JAMES BIGGAR

The Industrial Standards Act, which imposed labor codes upon Ontario, is due for some immediate changes, according to observations made by Liberal Members of the Ontario Legislature and officials of the Department of Labor interviewed by the writer this week.

What the amendments will be nobody seems to know, probably because proposals under consideration at Queen's Park are as yet tentative. There is general agreement, however, that the Act needs amending.

Judgments Reversed

The reverses which administration of the Ontario labor codes suffered by the decisions rendered by Judge A. E. Honeywell in County Court a couple of weeks ago have brought matters to a head.

As a result the enforcement of all codes limiting work to certain days of the week was, apparently, made impossible under the Act as it stands at present.

No Official Statement

J. F. Marsh, deputy minister of labor, declined to make any statement regarding amendments. He said, when interviewed, that amendments are a matter for the government, but he admitted that they are being considered.

He emphasized the purpose of the Act—to effect more equitable conditions in industry for both the employees and the employers.

Defense of Zoning

When questioned as to the doubtful effect of the zone system of applying the codes, Mr. Marsh explained that it was the practice of the Department of Labor when convening conferences requested by employees, or employers, to regard the whole province as one zone where the industry was competitive.

In the case of the building trades, for example, the element of competition between the building operations of one city or town with another did not enter.

When asked whether anything is being done by his department regarding the appeals lost in County Court, Mr. Marsh replied in the negative.

A. W. Crawford, chairman of the Minimum Wage Board, would make no comment regarding amendments to the Act, beyond indicating that they are being considered. He pointed out that the sole duty of the Minimum Wage Board is to administer the Act

Duties are Broad

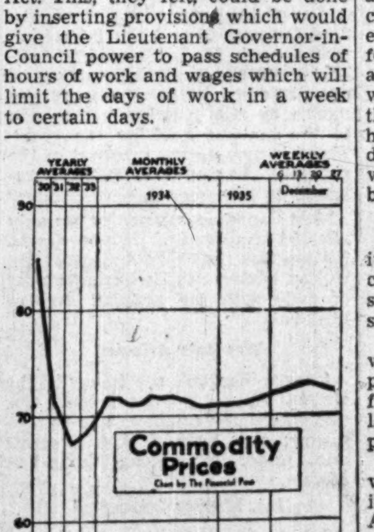
The schedules of wages and hours passed by order-in-council including restrictions as to the days of a week on which work might be performed in a given industry were, Mr. Crawford stated, in keeping with labor agreements in existence prior to the passing of the Industrial Standards Act.

Reminded that constitutional lawyers have held that while agreements might be made between certain persons or groups imposing restrictions as to days of work, such restrictions could not be applied to the community at large. Mr. Crawford replied that it was just such matters the Minimum Wage Board wanted to have cleared up, and to get judicial findings had taken certain cases to court.

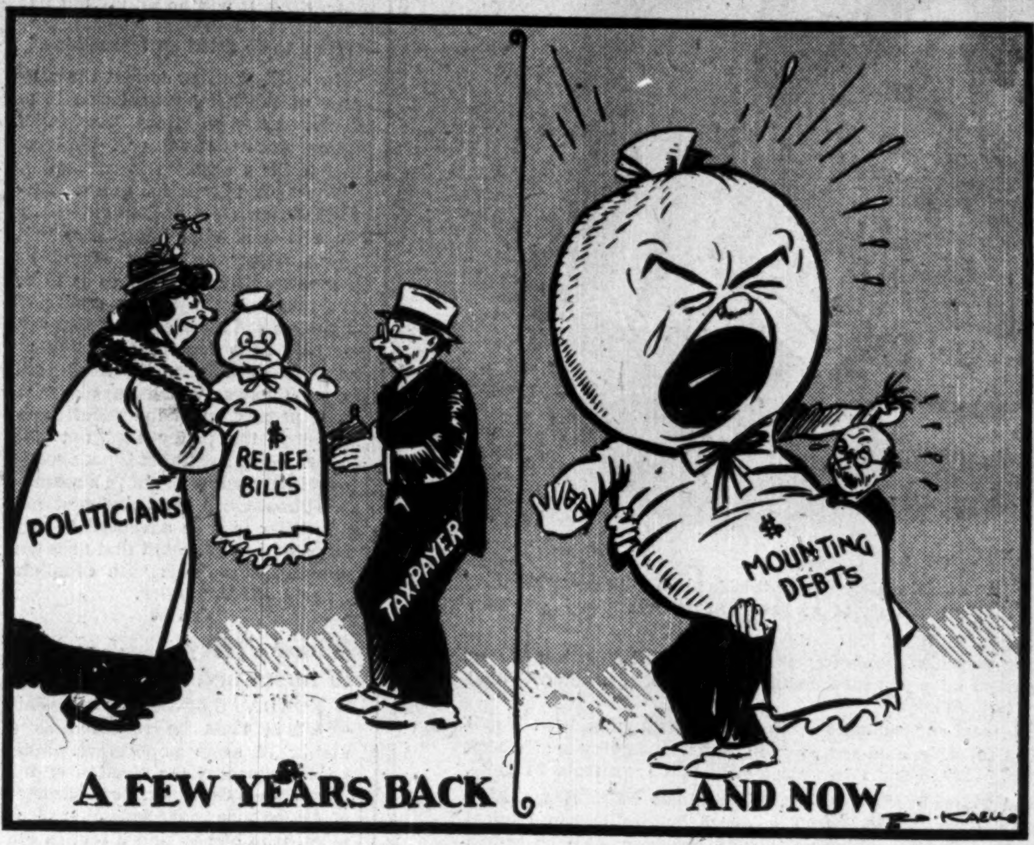
Liberal Member Views

Typical of opinions expressed by Liberal members of the Legislature when interviewed was the remark of one who said, "Now that the Act has been working for almost a year we can take stock of the situation, and if necessary better it."

The requirements of certain industries would have to be taken into consideration in drafting the amendments, it was pointed out. While supporting the principle behind the present legislation, members admitted the need for strengthening the Act. This, they felt, could be done by inserting provisions which would give the Lieutenant Governor-in-Council power to pass schedules of hours of work and wages which will limit the days of work in a week to certain days.



Commodity price movements were irregular in the final weeks of 1935, the index compiled by the Dominion Bureau of Statistics indicates. The index declined to 72.6 in the week ended Dec. 27 from 72.9 in the previous week, but rose to 72.8 in the week ended Jan. 3, 1936.



—Drawn for The Financial Post by R. Kaell.

HOLDING THE BABY

B. A. Oil Shares Rise, Report Earnings $1.80, As U. S. Wells Come In

More Wells to Follow Important Producers Next Door to Oklahoma Capitol — Company Pioneers North of Oklahoma City

British American Oil Co. broke into 1936 with stock prices rising on news of important oil production on its leases at Oklahoma City. Compared with a low of 13½ in 1935, prices now are around 19½.

Best informed estimates outside the company are that earnings for 1935 will be $1 a share on refining and distributing operations in Canada. That is about the same as in recent years but it is believed in circles usually well informed about this company that earnings in the United States will prove to have been on a scale equal to 80 cents a share additional on the stock.

Earnings Augmented

Whether or not the company's financial statement will bear out this expectation it is plain that 1936 earnings are due for a considerable addition as a result of operations now going on in Oklahoma.

Previous to 1935 profits in United States operations were not included in the earnings but it was estimated that they amounted to about 25 cents a share.

In 1935 this profit was rising but expenses of drilling must also have been much greater. The No. 1 Piersol well with which British American Oil Co. pioneered the new north and westerly extension to the Wilcox sand zone of the Oklahoma City field must have been fairly expensive to drill because it found the top of the Wilcox sand at 6,342 feet.

More Wells Coming

Add to that the fact that the British American Oil Co. had six other wells drilling at the time Piersol No. 1 came in, and it will be seen that this is no game for faint-hearts.

But a second well has since come in and news of a third well is expected momentarily.

A fourth is almost on top of the sand and the two others are approaching it.

Locations have also been selected for two more wells. The company has 200 acres under lease in this vicinity, of which 165 acres are half-owned. The rest are fully owned. On the usual basis in producing territory of one well to five acres there is evidently plenty of ground for many more wells if all these should prove winners.

A. L. Ellsworth, president British American Oil Co. refused to make any sort of estimate for The Financial Post as to the likely effect on earnings of the new production. He fears that the public may get exaggerated expectations of what it will mean to the company and rush the stock too high. There certainly has been animated buying for some days with prices going higher and with new wells coming in it is not to be wondered at.

Consolidates Company's Position

"What pleases me about it is that it consolidates the position of the company so far as having its own supplies of crude are concerned," said Mr. Ellsworth.

"It is our opinion that concerns which have not obtained important petroleum resources within the next five years are not going to be in relatively as good a position as companies which have those resources."

"It is true that in 1925 resources were about one billion barrels and in 1934 were about 12 billion barrels. About one billion barrels are being used in a year. There are about 12 years' supplies on the basis of known resources. That will certainly not look too much in five or six years unless other very important areas are tapped."

Piersol Well No. 1 has drawn nation-wide attention in the United States. The British American geologists have reason to be pleased that they chose locations so successfully. Other companies were drilling further east.

Modern Drilling Triumph

By drilling methods in vogue before the depression British American Oil would never have brought in this well. With only 500 pounds pressure to the square inch in the Wilcox sands the old method would have driven the mud-laden fluid into the pores of the sand and closed off the oil.

The pressure control method used in recent drilling permits obtaining high quality oil at great depths even when pressure is low.

Piersol No. 1 has given the state of Oklahoma and the city fathers of Oklahoma City a nice problem. The well came in within 225 yards of the governor's mansion. It came in on December 20, says The Oil and Gas Journal, "with a roar that echoed through the mansion and startled the nesting sparrows under the eaves of the state capitol building."

It was deepened and came in again with increased production on January 3.

The governor's mansion is to the southwest and the state capitol directly adjacent on the west to British American Oil leases. Its derricks were sheathed on three sides to protect these sovereign representatives of the people, passers-by on the road and residential areas of Oklahoma City from the oil in case it should come with a rush.

Up to the State

The state board of affairs will have to determine whether or not it will drill wells on the governor's property or on the state grounds to offset the British American wells. It may decide to follow the example of California which collects royalties from drillers who have sent deflected

(Continued on page 2, col. 7)

Week's Figures Reveal Declines

Seasonal declines in most indices are shown in new figures released during the week though with the exception of flour production and construction contracts awarded, the 1935 figures are in every case well ahead of corresponding figures in 1934.

The weekly summary follows:

			—Change— From prev. period %	From prev. year %
Monthly:		Nov.		
Auto. financing:				
Used cars		$1,036,453	−18	+21
New cars		$1,249,825	+14	+96
Flour prod., bbls.		1,603,803	−12	−5
Contracts award.*		$4,364,900	−48	−28
Bond sales*		$94,929,500	−35	+103
Boots & shoes, prs.		1,706,149	−11	+30
Lumber imports,	M. ft.	7,870	+0.6	+34
Weekly:				
Car loadings	No.	30,246	−27	+3
Cattle sales	No.	11,119	+174	+160
Hog sales	No.	11,687	+18	+132

*December.

Highlights

Economic Sobriety

Confidence grows as U. S. discards quack depression cures and turns toward basically sound business principles. What is the effect on Canada? Page 11

Maurice Singer

Hungarian born, naturalized Canadian of promotion fame, sues Daily Mail of London for alleged libel. Suit is termed "impertinent." Page 17

Construction Revival?

Still lagging in the rear of general trade recovery, the building industry nevertheless shows definite signs of major expansion in Canada. Page 8

Gold Mills Grind

Twenty new gold mills add about 2,500 tons daily to Canada's mine tonnage as new gold properties enter production stage. Page 19

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A Construction Feature

WHAT lies ahead for the Canadian construction industry? After passing through the most severe depression in its history, the industry is showing distinct signs of recovery. But indices reveal that it still lags far behind the general improvement in business levels.

The backlog of unbuilt construction in Canada, including replacement of obsolescent structures, has reached substantial proportions estimated by one authority at between $200 millions and $300 millions.

Despite many problems yet to be solved, the outlook points to the Canadian construction industry as being on the road to recovery.

With this issue, The Financial Post inaugurates a regular weekly feature, reviewing trends and prospects in all branches of construction operations in Canada. It will be found on pages 8 and 9.

Windsor Plan To Cut Bonds Stirs Holders

Protective Committees Meet; Investors Deposit Bonds

DETAILS PUZZLING

See Discrepancies in Amount Available For Interest Each Year; Utilities Affected

In the wake of the Windsor plan of debt adjustment announced in the closing hours of 1935, bondholders' committees have been in conference this week to determine what action to take.

It is understood that there is dissatisfaction among creditors over important phases of the proposed debt adjustment plan, and that some opposition is likely. Smaller bondholders are hastening to deposit their securities with their protective committees.

The Windsor debt scheme proposed by the finance commission suggests reduction of the face value of debentures of Windsor by 25 per cent; of Walkerville by 10 per cent; East Windsor 50 per cent and Sandwich 65 per cent.

Details Withheld

Although a general outline of the plan has been released details have not been disclosed publicly. One consequence is that there appear to be wide discrepancies between the recommendations and the views of bondholders.

An illustration cited to The Financial Post by one creditor is the case of East Windsor. Thomas Bradshaw, Toronto authority on municipal finance, recommended that 100 per cent of the debt be funded at 3½ per cent. The new scheme recommends that approximately the same debt be cut in half and funded at three per cent.

Under the Bradshaw recommendation, annual interest charges on $7.6 millions of bonds would be about $266,000. Under the finance commission scheme, interest on half the debt of $7.9 millions would be only $118,500 annually.

Question of Application

The question is whether the difference in interest represents a disagreement as to the amount available for charges on bonds, or whether the saving under the finance commission scheme is to be used for other purposes than payment of interest.

This important question apparently applies in the case of each of the four municipalities involved in the merger into one city of Windsor. It is believed that the explanation of the riddle lies in the amounts that the new scheme proposes to use each year for retirement of debt. Instead of paying nearly all available revenue in interest, it is indicated that a large part of funds available for debt service would be used for redemption of principal. After allowing for the proposed initial cut in principal, the result would be to allow the debtor municipalities to rehabilitate their finances quickly.

The Financial Post has been unable to obtain a copy of the proposed debt adjustment scheme, which does not appear to have been printed for release to all bondholders.

Utilities Concerned

A feature of the debt adjustment scheme is that it has a direct bearing on the $2.2 millions of bonds of the Essex Border Utilities Commission and on $1.3 millions of Windsor, Essex & Lake Shore Railway bonds. The chief assets behind these securities are bonds of the major municipalities concerned in the Windsor refinancing.

The debt adjustment scheme leaves the bonds of the utility and of the railway undisturbed. But it does provide for inclusion in the adjustment scheme of the municipal bonds which secure the utility and railway bonds.

Bonds of the Sandwich, Windsor & Amherstburg Railway do not enter the reconstruction scheme. The $1 million outstanding bond issue is guaranteed by Ontario. The S.W.& A. Railway owes large amounts to the Hydro-Electric Power Commission of Ontario, and this debt will be subject to adjustment. However, it does not concern public investors.

Recent quotations for bonds of the debtors affected by the Windsor scheme are as follows:

Prices of Border Cities Bonds

Debtor	Bid Price	Asked Price
Windsor	52	55
East Windsor	33	37
Walkerville	61	64
Sandwich	23	27
W. E. & L. S. Railway	29	32
Essex B. Utilities	29	32

Court Dismisses Action Against Orange Crush, Ltd.

Action taken against Orange Crush, Ltd., by R. H. Lindsay, R. B. Lindsay, E. H. Lindsay, E. C. Lindsay, Fred J. Ryan and Don E. Ryan, of Toronto, has been dismissed by Justice Makins in Toronto.

The action—taken by A. R. Kaufman, Kitchener manufacturer, on behalf of himself and other shareholders of Honey Dew—sought to have 70,008 shares of Honey Dew common stock now held by Orange Crush cancelled on payment for same. It asked also for $9,983 for 9,000 shares disposed of by Orange Crush and damages exceeding $3.9 millions against all defendants other than Honey Dew in respect of their dealings with it.

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The Nation's Business

(Continued from page 1)

employment. But the public does not yet know what sort of a commission Prime Minister King has in mind. The well-known "Politician With a Notebook," writing in Maclean's, says of it:

> "There is, of course, Mr. King's proposed national commission on unemployment. No one now takes it very seriously, perhaps not even Mr. King. It will be set up, but its report, if it ever does report, is not likely to be acted on this session."

In brief, the fear is that the purpose of the King commission is to divert attention from the relief racket and not to solve it. We trust this writer's estimate is wrong.

The need now is for quick, energetic action on a nation-wide scale since it is of vital importance that any turnover in policy should be planned well in advance so as to be put into effect with the easing of problems and numbers in the spring.

Apart from any investigating or advisory commission the chief need is for Ottawa, which pays such a large proportion of the relief costs, to adopt the policy that not one dollar will be spent that is not needed to maintain someone above a reasonable subsistence level and that not one dollar will be advanced to any subsidiary government that does not administer its funds with complete honesty and efficiency.

* * *

Wheat Policy Is Sustained

MONDAY'S by-election in Assiniboia must be regarded as a matter of some importance. Most people expected the election of the Hon. James Gardiner, new Minister of Agriculture in the federal government, who had to find a seat in the Dominion Parliament when he resigned the premiership of Saskatchewan. The sweeping victory of the government party at the polls last November made his return probable. Defeat of his opponent, Wm. Irvine, running as a C.C.F. candidate, was logical after the utter failure of that socialistic party to make an effective showing at the general elections.

The importance of the by-election arose from the attempt of Mr. Irvine to make an issue of the change of government policy respecting wheat. He sought to create a grievance out of the dismissal of John I. McFarland as chairman of the Canadian Wheat Board, and of the appointment of a new Wheat Board under which a vigorous selling policy has been successfully begun.

* * *

THE official wheat pool organization had been very hostile to the change, and expressed itself freely before the matter became an election issue, although it does not appear to have taken part in the election. But the C.C.F. organization evidently believed that the discontent at the top of the wheat pool organization, whose leaders have lost control of the government selling agency, would be backed up by votes of farmers.

Just why it should be assumed that farmers should object to the sensible policy of selling wheat which the government owns, instead of keeping it for another year, again to get in the way of selling a new crop, is difficult to understand. Fortunately, however, the by-election has shown that they have no such objection.

Had the election gone the other way some embarrassment might have been caused to the government, but it is inconceivable that there should have been a return to the policy of hoarding wheat instead of selling it, or that either Mr. McFarland or the wheat pool organization should have been called back to take control of wheat policy on behalf of the government.

* * *

Who Profited From Holding Wheat?

IN THE course of the Assiniboia election it was revealed that when the Wheat Board assumed office there were on hand 76 million bushels of pool wheat. In 1931 that wheat had cost 61 cents a bushel. Accumulated storage costs have since brought the cost up to $1.05 a bushel. A little calculation shows that the accumulated costs on that wheat amount to $25 millions. Much of this is represented by the storage earnings of the elevators in which it has been kept all these years, earnings accruing for the most part to pool elevators.

It may be necessary to ascertain just how much did go in that direction, if the elevator organizations in question continue to object to the new line that government wheat policy has taken. If they are to claim the right to disinterested criticism, the country ought to know how much they have made out of the holding of this wheat.

The pool organizations continue to press a claim for the distribution of some $8,200,000 to their members in respect of the wheat in question, in accordance with some pre-election promises that were made by Mr. Bennett. Neither the government nor the wheat board has realized, or is likely to realize any such sum of money from this wheat. To know how much the pool elevator organizations have realized from the holding of that wheat would be decidedly interesting.

* * *

Defeat of AAA Lesson to Canada

THE sorry tale of attempted control of agricultural production and prices in United States amply justifies the good judgment displayed by Canadian farmers when they decisively turned down a similar attempt in this country last winter. Had the egg and poultry scheme been accepted in the prairie province, it would have paved the way for complete regimentation of Canadian farming.

In endeavoring to restrict the output of farm crops, Washington's Agricultural Adjustment Act was really trying to create something more than a gigantic combine of millions of farmers in restraint of trade. Successful control would have to include the weather, because it is upon a proper combination of sun and moisture that agricultural volume really depends.

True such tilting at windmills was not specifically mentioned but it would have had to be included had this hastily concocted scheme been given any hope of success.

As finally developed the plans of the Natural Products Marketing Act in Canada were just as fantastic. First the producers would have been regimented. Then consumers would have been forced to pay certain prices. Finally the weather itself would have had to be conscripted before even a semblance of agricultural control could have been effected.

The crushing defeat of the AAA by the U. S. Supreme Court has probably saved Canada from further flirting with this dream of a regulated agricultural Utopia.

See Canada's Trade Uninjured by A.A.A Upset in U. S.

(Continued from page 1)

opinion of opponents of the Roosevelt administration is that increased farm prices were never due to the A.A.A. in any large degree but rather to the effects of the prolonged American drought.

Increased Production

Removal of the acreage restrictions under the defeated measure may result in some increase in the area sown to wheat and other crops next spring. It may also result in freer development of cattle and hog breeding. But here again the reasoning is largely in the experimental category. Despite A.A.A. restrictions, when farm prices shot up in 1935, farmers everywhere throughout United States immediately showed a tendency to disregard regulation and plan for larger production. Moreover as prices rose agitation developed against artificial control both in the producing and consuming fields.

Any increase in agricultural production in United States, is bound to have some effect on Canadian agriculture, especially since the new trade treaty came into force. But ever since the jump in farm prices a year ago such an increase has been anticipated.

Hits Control Here

A minor repercussion will probably be a further weakening of agricultural and other support for the compulsory features of the Natural Products Marketing Act. This was a child of the Bennett New Deal. However, aside probably from British Columbia and a few specialized growing areas in Eastern Canada this measure had not got far beyond the experimental stage.

May Open Exports

From Our Own Correspondent

WINNIPEG.—Removal of the processing tax of 30 cents a bushel on wheat under the A.A.A. may increase Canadian exports as a result of stimulation in U. S. flour markets.

An increase in flour buying may be expected, as American bakers, dealers and housewives have been keeping on hand only the minimum quantities, awaiting the possibility of buying fresh supplies without the burden of the tax. How much stocks have been thus depleted below normal it is impossible to calculate. Such depletion may easily amount to the equivalent of 10 to 25 million bushels of wheat. It may take some time to rebuild invisible flour stocks to a normal level, but if prices showed a rising tendency, rapid buying may develop.

Should there be a combination of some increase of United States prices, accompanied by an increase of flour buying, there would be room for an increased demand for Canadian wheat from those United States millers who are now using such wheat for their domestic flour.

On the other hand some observers put a bearish construction on the change, on the theory that a greater acreage would be planted to spring wheat in the United States through abolition of government control.

Effect on Companies

United States subsidiaries of a number of Canadian companies are affected more favorably than otherwise by the Agricultural Adjustment Act being declared unconstitutional.

Massey-Harris Company's United States subsidiaries will be greatly affected by any measure which reduces the flow of money to the farm population of the United States. It has a tractor and plow plant covering 11 acres at Racine, Wis., and an implement plant on 48 acres at Batavia, N.Y.

Many millions of dollars of the huge amounts paid to farmers under A.A.A. are believed to have found their way into the hands of implement companies either to buy new machinery or to pay off old debts.

Walker's May Get $200,000

Hiram Walker - Gooderham & Worts and Distillers Corp.-Seagram have a direct interest because processing taxes were levied against them under A.A.A. Walker especially has more than $200,000 paid into court to cover processing taxes which it disputes.

It has not paid the taxes as yet direct to the United States Government but filed suit to enjoin the collection of processing taxes levied under A.A.A. upon the first domestic processing of field corn and rye. Order of temporary injunction was filed October 12 and the injunction writ served. Walker's paid in $44,295 in September alone for corn and rye processed by the company and month by month it has had to add to the amount held by the court. There is now a near prospect of the company having this $200,000 released to it.

Most Canadian companies are only affected indirectly. Moore Corp., for instance, has plants all over the United States and its business rises or falls with the general level of business.

Weston's Affected

George Weston's subsidiary in the United States, Weston Biscuit Co., has, like other companies in the industry, also been paying amounts due under processing taxes in escrow.

Int. Milling Interested

International Milling Co. is the only U. S.-Canadian milling company directly affected. It has mills in both countries and the processing taxes of 30 cents a bushel on wheat ground in the United States amount to $1.35 a barrel on flour. It was not paid on flour ground for institutions but it takes from three to six months to get back money for such sales.

Test Looming For Aberhart In New House

Legislature Meets Next Month in Face of Rising Disappointment

RECALL LEGISLATION

From Our Own Correspondent

EDMONTON. — Testing time for Premier William Aberhart's Social Credit government is drawing near. The provincial legislature opens February 6 and all signs point to strong pressure being brought to bear on the government then to take some definite steps toward putting the promises made before the election into effect. So far nothing in the direction of social credit has been accomplished.

In a recent address at Calgary, just before the holidays, Premier Aberhart acknowledged there is considerable grumbling in the provincial ridings over the delay in giving the people their promised basic dividends of $25 monthly.

Sparring For Time

"The premier is sparring for more time, it would appear," a prominent politician ventured. "At his Calgary meeting he said: 'It is only six months since I got in office and you are impatient. In six months you will have recall legislation in the province and if you want to you can banish me to the tall timbers. You can give me two years or put me out.'"

Previously Mr. Aberhart has said he wanted eighteen months before he could establish social credit.

See Credit Damage

Financial houses and bond dealers here are freely predicting that the government will be out of office in less than two years but that that will not be before considerable harm has been done to the credit of the province.

One observer here ventured the opinion that the recall legislation promised by Premier Aberhart for the next session of the legislature, which opens February 6, on the same day the Dominion house opens, will prove to be a way of escape for the social credit government.

There is a rising tide of dissatisfaction among electors with the long delay in implementing the pre-election promises and this observer thinks the new legislation will be widely taken advantage of as a result.

Frost Steel & Wire Co. Pays $1.75 on Preferred

Frost Steel & Wire Co. will pay a dividend of $1.75 a share on February 1 on the company's first preference stock to shareholders of record January 18, 1936.

The stock will then be in arrears $19.25 a share.

Metal Prices

New York—Jan. 7—
Copper: Electrolytic spot and future, $9.25.
Silver: 49¾c.
London—Jan. 7—
(Long Ton)—
Copper: Electrolytic spot, £38 10s; future, £39. Standard, spot, £34 12s 6d; future, £35 2s 6d.
Tin: Spot, £211 7s 6d; future, £202 17s 6d.
Lead: Spot, £15 10s; future, £15 12s 6d.
Zinc: Spot, £14 5s; future, £14 12s 6d.
Gold: 141s. ½d.
Silver: 20¾d.
Canada—Jan. 7—
Gold: $34.87.

B. A. OIL SHARES RISE REPORT EARNINGS $1.80 AS U. S. WELLS COME IN

(Continued from page 1)

holes out under the sea to tap oil resources under tidewater.

First, experts will have to determine whether any of the oil comes from under the governor's mansion or the state capitol building and properties adjacent.

Then the city council must decide whether it will allow drilling south of Piersol No. 1. At present residential restrictions are against it. But if property owners decide they are willing to lease their properties for drilling, the city council will smooth the way.

Then the state board of affairs will protect its interests. The point is that in a straight line south across this part of the city from Piersol No. 1 for 1½ miles is the northerly extension of the productive Wilcox sands so far as developed on the south side of the city.

Piersol Well No. 1 was rated on Dec. 20 at 13,647 barrels daily and the gas flow at 18.5 million feet. On January 3 the potential was 28,000 barrels and the allowable production from 5,000 to 6,000 barrels. The well had only penetrated about 20 feet of the Wilcox sand on Dec. 20, the first ten feet being gas. The drill will go 100 feet deeper. Probability is for a higher price for crude per barrel of 25 cents which will be a good thing for the company.

Piersol Well No. 3 also came in on January 8 with a potential of 22,700 barrels and an allowable of 4,880 barrels. It is northeast of No. 1.

Two Mary Greens

Mary Green No. 1 well was drilled by the company into the Wilcox sand two locations to the east in October with 250 barrels potential shown.

It has not been considered productive because of trouble which developed through losing a swab but it is being completed again with the new pressure control method. No. 2 Mary Green, between No. 1 Mary Green and No. 1 Piersol, is now in the sands. Both Mary Greens should come in within a week.

Indications are that all have thick sections of Wilcox sands above water. No. 5 Piersol is below 5,884 feet, still further to the northeast. No. 2 and No. 4 Piersol wells are located but not yet drilled at intervals directly north from No. 1 Piersol. There is No. 1 Kirsch to the northeast of Mary Green No. 1. No. 1 Winders directly east of Mary Green No. 1 is ready to drill.

The oil is being delivered to the Sinclair Pipe Line Co. and the gas taken by the Phillips Petroleum Co. The complete lack of waste of gas or oil in this drilling is commented on widely in oil circles.

Opinions differ in Oklahoma City about the geology of new find. Most think the western edge of the Wilcox sands continues 1½ miles northward through the city to British American property and others that the sand found by the Piersol No. 1 is a finger or stringer on the west side of the fault.

The new wells coming in will soon tell the story and will determine as well whether or not the state has a right to royalties.

A Successful Year

J. C. Millar, treasurer British American Oil Co., tells shareholders in a letter just sent to them that the company has had a successful year. He says dividends of 80 cents a share have been earned.

Other 1935 developments of the company are the extension of its services into the maritime provinces and into British Columbia. These are the opening ends of a business wedge. Its refineries at Moose Jaw, Sask., and Coutts, Alta, are manufacturing entirely from Montana oil and the company had crude oil production in the Cutbank field of Montana. It also is building an absorption plant in the Southern end of Turner Valley. In the future it will be a factor in Turner Valley production and use of the product.

It is understood that working capital and reserves have been improved during the year.

Obituary

Henry W. Evans, prominent in Toronto insurance circles for more than 60 years. He was 86, and had spent 64 years as resident agent in Toronto for the North British and Mercantile Insurance Co.

Norman Mackenzie, sportsman, financier, and one of western Canada's most prominent barristers, at Regina. He was 66.

Dr. J. MacCallum, chief medical adviser to the Bank of Montreal and formerly medical adviser to the Standard Life Insurance Co., at Montreal in his 55th year.

Harry Howard Raymond, at Yarmouth, N.S. He was chairman of the board of the Atlantic Gulf and West Indies Lines, and well known on both sides of the Atlantic.

Arnold W. Thomas, senior member and secretary treasurer of Copp, Clark and Co., in Toronto. He was born in Toronto 76 years ago.

Scott Lynn, in Toronto. He was president and general manager of Lincoln Meter Co., vice-president of the Wagner Electrical Manufacturing Co. Ltd., and a director of Universal Cooler Co. of Canada, Ltd. He was widely known as an authority on electrical engineering.

Ottawa Slated to Collect Income Tax for Provinces

From Our Own Correspondent

OTTAWA. — Negotiations have now proceeded to the point where it is certain that the Dominion income tax branch will begin this year collecting income tax on behalf of five provincial governments.

The provinces who will turn their income tax statutes over to the Dominion for administration are: Ontario, Prince Edward Island, Manitoba, Saskatchewan and Alberta.

The British Columbia government, while it collects a very onerous income tax, is believed certain to retain administrative control.

The B. C. statute differs widely from the Dominion and joint collection would be difficult.

The income tax laws in the three prairie provinces are modelled on the Dominion act and collection by Dominion officials will present no difficulties. The same is true of Prince Edward Island. The Ontario government, it is learned, will practically enact the Dominion statute as it stands.

While joint collection of income tax is now, for all practical purposes, a reality, each government will retain complete freedom to vary its rates to suit its needs. It is pointed out that provided the main structure of the statutes are identical it makes little difference to collectors whether the rates of taxation vary. If there were wide differences in exemptions and in what constitutes taxable income, the difficulties would be almost insuperable.

The Dominion collects its income tax at a very low cost. The actual figure for 1935 will be 2.5 per cent. In collecting the tax for the provinces, the Dominion will deduct only the actual cost of collection.

It is pointed out, however, that the Dominion's cost figure will not apply to the provinces for the reason that several other taxes are included in the figure. There are the taxes on royalties, dividends, the super taxes, etc.

Magor Seeks Debt Revision For Alberta

Proposes Refunding to Bond Men at Toronto

PUZZLES CREDITORS

Robert J. Magor, Montreal industrialist, visited Toronto early this week and interviewed bond men and large institutional investors on behalf of the Alberta government.

Mr. Magor's mission was to ascertain what debt concessions, if any, large-scale investors are willing to make to Alberta. As a result of his visit to Toronto, he will be able to report to Premier Aberhart that he got an interested hearing but made little progress.

The case put to the large bondholders by Mr. Magor was that outlined by acting premier Ernest C. Manning of Alberta in a recent letter to bond dealers. Mr. Aberhart's right-hand man, Mr. Manning stated in the letter that the Alberta government "has been forced to the conclusion that an adjustment in our debt charges seems unavoidable if we are to meet our necessary obligations and balance our budget."

Views of Creditors

The Financial Post understands that the creditor viewpoint was to ask Mr. Magor:

1. How can concessions be made without the province first presenting a comprehensive survey of its position and evidence that all future Alberta governments will be able to stick to their share of any bargain that might be struck?
2. Is it not unreasonable to propose a scheme of refinancing on the basis of permanent depression for Alberta when it seems probable that the province will eventually have a return of prosperity?
3. Why pursue a scheme of debt adjustment for Alberta alone when Dominion government authorities are working on the loan council scheme of financing to aid all four western provinces?

Puzzling Competition

Social credit was not discussed at the meeting with Mr. Magor.

Bond men are believed to have taken the same stand as institutional investment representatives.

A puzzling feature of the Magor-Aberhart proposals, to which no explanation has been offered, is the competition with the Ottawa loan council scheme.

When the plan to reduce Alberta's debt charges was first mooted, it was widely assumed that Premier Aberhart may have been ignorant of the loan council scheme.

This can no longer be the case.

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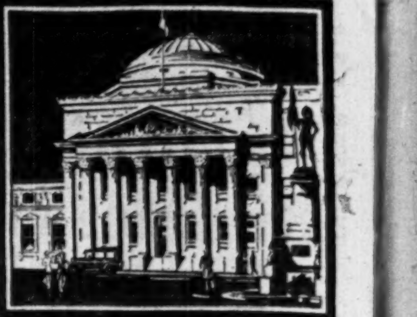

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C. N. R. Ex-Director Urges Joint Control

While Another Wants Return Board of Directors System

Former directors of the Canadian National Railways differ widely in their ideas of the best way to provide for the utmost efficiency in operation of the government lines.

A number of them, queried by The Financial Post, express the opinion that it does not make much difference whether the present trustee plan of operation is continued or is replaced by a return to direct control by the government, through a board of directors. The form of administration, in their opinion, is of less importance than the competence and independence of the men selected to manage the property for the shareholders, the people of Canada.

Views of Ex-Directors

Each of the men who has ever occupied the post of director of the Canadian National Railways was asked by The Financial Post his view of the latest announcement of Hon. C. D. Howe, Minister of Transportation.

W. J. Christie, financial and insurance broker of Winnipeg, a former director, is very blunt in urging joint operation of the Canadian National and the Canadian Pacific. He says:

"The C. N. R. should be managed like any other business—in an economical way and in the best interests of the people of Canada.

Competition With C. P. R.

"The principal opposition that the C. N. R. has is the C. P. R., which is operated by 17 directors, a great number of whom are leading and successful business men who have the experience of handling a business in a large way. They also control the handling of an immense amount of freight, which is a great asset to the road they direct.

"The C. N. R. on the other hand is operated by three trustees or directors, of whom two are lawyers and the other is in the financial business. The two lawyers are very able in their professions, but they lack the business experience of the directors of the C. P. R. You can readily see that the C. P. R. has the advantage both in securing freight and in operating their road.

"If the government went back to the old system of appointing directors, the chances are that they would not select men as capable to fill the positions as the C. P. R. Politics no doubt would play a part in the selection of a directorate. My opinion is then that you are just as safe in the hands of the present trustees as you would be with the appointment of men selected by the government on account of their past political assistance.

"If the directors were selected from leading business men in Canada irrespective of politics, I consider it would be an improvement on the three trustees' system. I believe that the people of Canada would welcome a more economical and profitable way of handling the railway system of Canada.

Joint Operation

"My opinion is that both the C. P. R. and C. N. R. could be operated by a joint board of directors, one-half of the directors to represent the C. P. R. and the other half the C. N. R. These two roads could be jointly operated to make an enormous saving to both roads. For example, at all points where they have two stations, one station would be ample and would be a great convenience to the travelling public. The same could apply to express and telegraph offices. The portions of each of the roadbeds that have the most favorable grades to handle the freight could be used in the interests of both roads, and the same with the passenger traffic.

"For instance, with some of the low grades of the different companies' roads, the trains could be handled to carry from 25 per cent to 50 per cent more cars on one road than the other with the same motive power.

"Another large saving would be where one divisional superintendent and staff could handle the business of two divisions. You would also be able to eliminate the freight and passenger solicitors. A great saving could be made in the operating of the shops for repairing cars, locomotives, etc."

Backs Howe's Plan

Another ex-director from the West, who does not desire to have his name used, feels that the setting up of the trustee board was a mistake. He would like a simpler setup, relying more upon the C. N. R.'s own operating men. He says:

"I am in complete agreement with the views expressed by the minister. He spoke as a business man dealing with a business matter. It is impossible to deal with public business in all its aspects as if it were private business. Where a group of men are associated together to form a government, you will admit that no one of them can always and at all times have his own way. There must be due allowance for the opinion of others. In the conduct of public business many considerations enter in and have to be taken into account.

Liberty of Action

"I have no hesitation in saying, and I say it with the highest respect for the present members of the trustee board, that the trustee board, as constituted, is not a body such as should be set up to govern any business, particularly a business with so many ramifications as that of the Canadian National Railways. I fail to understand how the management of the railway can be expected to function to the greatest advantage under the control of a trustee board with the powers given it under the act. The management of any corporation must have within limits, liberty of action; otherwise its usefulness is seriously handicapped.

"Responsibility for the conduct of the C. N. R. must be placed primarily on the president and the group of vice-presidents in charge of the various departments. The deputy minister of railways is a natural link between the government and the utility. As it happens, the present deputy minister is a trained and experienced railway executive of the first order.

"As a source of counsel and restraint, a small compact board of directors not exceeding six, chosen solely for their fitness, in addition to the president, the vice-president, and the deputy minister of railways should provide all the machinery that is necessary to give the railway first-class management and also every opportunity in the way of enterprise and initiative. Two of the directors thus appointed might represent Ontario; two, Quebec; one, the Maritimes; and one, Western Canada.

"It is my opinion that the setting up of the trustee board has lowered the general morale of the employees of the railway. The loyalty, the enthusiasm, and the goodwill of the empoyees are of first importance.

Saw No Interference

"I take advantage of this occasion to point out that, in the six years during which I was a member of the board of directors of the Canadian National Railways, I do not recall a single instance when it was made clear to me that the government was seeking to interfere or unduly influence the policy of the railway. The policies which were put into effect during the period of 1924-30 were the policies of the president, the late Sir Henry Thornton, and the vice-presidents in charge of the various departments, discussed and approved monthly by the board of directors. The period was largely a period of great expansion in business. From year to year, provision had to be made for such expansion. It was taken for granted that this period would continue. Neither party in Parliament cared to take the responsibility of criticizing or restraining the railway in the masterful and enterprising course which it followed.

"Regarding the future, with reasonable restraint in operating expenses and taking advantage of every opportunity to reduce the interest on the public debt by refunding operations, and with a steady and constant increase in the trade of the country, particularly our trade with the United States, I see no reason why the Canadian National Railway should not again reach a period when its net revenues will be sufficient not only to pay the interest on its debt to the public but show a handsome surplus as it did in 1928."

Further views of ex-C. N. R. directors on the railway problem will appear in later issues.

Future of C. N. R.

What should Canada do about the Canadian National Railways? Nearly everyone has an opinion.

The Financial Post in a series of articles, of which this is the first, will present the views of a group of men who have had a particularly intimate connection with the line: They are ex-directors, most of them men who served during the Thornton régime. The former board of directors was abolished when the Trustee Board of three was set up, following the Duff report.

Need for New Money Less As C. N. R. Net Moves Up

From Our Own Correspondent

MONTREAL.—Net operating revenues of the all-inclusive Canadian National Railways System will show an increase of about $1.2 millions in 1935 as compared with 1934, according to an estimate issued by S. J. Hungerford, president of the system.

Gross revenues for the past twelve months are estimated at $173 millions, an increase of $8.1 millions over the actual returns for the preceding twelve months. Operating expenses increased $6.8 millions, so that net operating revenues for the past year at $14.3 millions were $1.3 millions greater than in 1934.

As a result of the improvement during 1935, for the fourth successive year, the new money requirements of the system will be reduced. Expenditures on capital account have been almost entirely limited to those essential to safety of operation.

Following negotiations, between all Canadian railways, and organized railway labor in Canada, a portion of the deduction of basic rates of pay was returned to the employees during the past year. The effect of this was an increase in operating expenses of the C.N.R. of more than $4 millions.

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Japan's War Needs Help Aluminum Co.

From Our Own Correspondent

MONTREAL. — Owing in part to the greater activity in the war supply industries, Japan's imports of aluminum from Canada increased from 35,008 cwts. in 1933 to 69,377 cwts. in 1934, and to 78,207 cwts. for the first nine months of 1935. Over one-half of Japan's imports are received from Canada in the form of grains, slabs and ingots.

Practically all of the slab and ingot aluminum produced in Canada is manufactured by the Aluminum Co. of Canada. The big plant at Arvida, P.Q., is understood to have greatly widened operations in the past eighteen months and while no interim statements have been issued by the management, expectations are that the financial statement for 1935 will show a fairly healthy increase in earnings. Judged by the Dominion export figures, Aluminum Co.'s exports last year were nearly twice as great as in 1934.

MUNICIPAL GOVT. PER CAPITA COST SHOWS INCREASE

Unemployment Relief is Chief Factor in Increase

The cost of municipal government in Canada recorded a further increase in 1934, according to a report released by the Citizens' Research Institute of Canada.

Based on figures for 16 representative Canadian cities the average per capita cost of government increased from $54.59 in 1933 to $55.78 in 1934. These figures are the net cost to the cities, after the deduction of provincial grants. They include the cost of unemployment relief whether such costs are funded or not.

Relief Expenses Up

The total combined cost advanced from $156 millions in 1933 to $160.2 millions in 1934. While unemployment relief expenditure was the chief factor in this increase, it was not the sole reason for the advance. Total expenditures increased $4.2 millions, while unemployment relief expenses were only $2.6 millions higher.

The record of expenditure since 1929 of the 16 cities reviewed is as follows:

Municipal Expenditure

Year	*Expenditure on curr. acct.	Per cap. Expend.
1929	128,857,822	47.23
1930	140,335,648	50.43
1931	148,629,514	52.76
1932	150,506,872	53.40
1933	156,049,006	54.59
1934	160,254,847	55.78

*Includes relief expenditures after deduction of provincial and federal grants.

"When it is considered that since 1929, in a period of falling prices, reduced rentals from real property, and greatly reduced individual incomes, the municipal expenditures in these 16 cities increased over 24 per cent, the present plight of the home owner and municipal taxpayer is understandable," the report states.

Five Cities Spend Less

Gross expenditures were slightly smaller in 1934 than in 1933 in five of the cities listed, namely—Victoria, Edmonton, Ottawa, Windsor and Charlottetown. In Toronto and Saint John, there were small increases in expenditures but changed population figures were sufficient to bring about a decrease in per capita costs. All except two of the cities, London and Vancouver, met their direct relief expenditures by funding them in whole or in part. The amount of these expenditures funded was $13.6 millions in 1934 compared with $10.9 millions in 1933.

Indications are that cities are again tending to increase expenditures in nearly all directions. In 1933 expenditures on all activities other than "charities and correction" were less than in 1932. Expenditures in 1934, compared with 1933, increased on all activities except "health and sanitation."

Gross Expenditures

	1934 $	1933 $
Education	41,621,890	41,436,811
Protection	19,079,733	18,329,983
Highways, bridges	13,019,777	12,435,824
Charities & correction	27,175,326	24,566,695
Health & sanitation	11,058,545	11,496,004
Recreation	3,410,545	3,125,988

New Era in Tariff Opens; Special Duties in Discard Judicial Power for Board

Flexible Levy Where Onus Placed on Importer is Out — Currency Dumps Disappearing — Long Period of Tariff Instability Indicated

From Our Own Correspondent

OTTAWA.—While every indicator points to a prolonged period of tariff instability, in one respect the King Government has completed the task of bringing Canada's protective system into line with Liberal policy.

In the U. S. agreement and the Japanese settlement, a complete revision of the flexible, order-in-council tariff is clearly enunciated and only awaits enactment by Parliament to become the law of the land. The Canada First flexible tariff, enacted by amendments to the Customs and Tariffs acts in 1930 and 1931, in order that the Government might have power to change rates of duty from day to day or hour to hour as the need might arise—this tariff has been virtually demolished.

Discard Special Duties

The dozen or more types of dumping defined in these amendments, the various methods by which they might be checked—all have been swept into the discard, along with most of the orders-in-council based upon them. Hereafter, for the life of the present administration, Canada is to rely upon a rigid, Parliament-made tariff, supplemented by order-in-council dump duties only when necessary to meet the traditional type of dumping. With one or two important exceptions (of a kind not susceptible to much broadening), order-in-council tariffs will be applied hereafter only if and to the extent that foreign producers attempt to sell in Canada at prices lower than the fair market value in their own countries. This is dumping as defined long ago by Hon. W. S. Fielding.

Home Price Counts

Under the Bennett flexible tariff many tests of dumping, or unfair competition, were sanctioned and numerous remedies were at hand. The test was not the ordinary dumping one. It might be that production costs in foreign countries—due to cheap labor, mass production, lack of sound profit taking—were lower than reasonable and profitable production costs in Canada. If so, the Canadian cost figure would be used as the yardstick against which dump duties would be measured. And dumps might consist of control of discounts, additions of freight charges to import prices, straight advances in import prices; increased, arbitrary valuations for duty purposes, increased rates of duty, or arbitrary valuations of currencies. For every conceivable form of dumping, so called, there was retaliation and the Bennett Government rarely failed to administer it.

From now on, the real test will be prices in the market of origin in comparison with prices quoted, by foreign producers, in Canada. If they tally, no dumping will be chargeable.

26 Valuations Fall

On Nov. 15, when the U. S. agreement was announced, there were 35 valuations in effect under section 43 of the Customs Act. Of the 35, the agreement accounted for 20. The 20 were rescinded by order-in-council as of January 1. Then the exchequer court ruled against valuations on British goods and two more disappeared so far as the preferential tariff is concerned. Came the Japanese settlement and six more of the valuations were promptly wiped out. Of the six, the valuation on wool jersey cloth had previously disappeared so far as Britain was concerned.

This leaves but nine valuations and all of them are under death sentence in view of the amendments to the Customs Act which will be brought down this session. The nine are:

Fruits and vegetables.
Metal pot cleaners.
Knitting machine needles.
Refined granulated sugar.
Wire rope (outside the Empire).
Thumb tacks and furniture nails.
Casein.
Dried egg albumen.
Rubber footwear.

The fruit and vegetable valuations will be drastically reduced under the U S agreement, but in this modified form will be retained. Discount controls, also, have been rescinded.

What form will the proposed amendments take?

The ordinary dump duty will be continued.

The various other dump duty sections of the Customs and Tariff acts will be retained but will be applicable only in cases where the traditional form of dumping is proved. Thus the Government will still have power to control discounts, but only where a foreign manufacturer proposes to grant a greater rate in his own country than in Canada. In blocking this type of dumping the Government will still be free to step up prices, add freight charges to invoice values, declare price advances, etc., but the thing will largely be meaningless.

Currency Dumps

To this there are a few reservations which may prove to be of importance. For one, the currency dumps are fated, apparently, to disappear entirely within two years. The new policy, here, is to value foreign currencies on the basis of five-year averages. The base this year will be the average for 1930-34; next year the average for 1931-35. As most currencies were depreciated in the fall of 1931 and the year 1932, the values will be the depreciated values by 1938.

For another, the Government proposes to retain power to declare arbitrary valuations outside of the fruits and vegetable schedule of the tariff. In view of the general policy laid down it is unlikely that the King Government will make much use of this power and if it does, the restrictions placed upon its use argue strongly against the granting of much additional protection to manufacturers.

Tariff Board Powers

If arbitrary values are declared there is to be an appeal to the Tariff Commission and this declaration of policy, contained in the text of the Japanese settlement, marks the emergence of the Tariff Board from the status of a mere annex of the Department of National Revenue.

Section 43 of the Customs Act when amended will enable anyone to appeal to the board against any valuation decreed by the Government. The appeal must be on the grounds that the valuation is too high; not too low. The onus of supporting the valuation will rest upon the industry benefitting therefrom. The board may not find that a higher valuation is required. But it may find that a lower one would be adequate and if so the Government binds itself to give effect to the recommendation at once.

The Tariff Board, therefore, emerges, after many ups and downs since its appointment in 1933, with definite judicial powers. To this extent it becomes a court of appeal with jurisdiction over the National Revenue Department and the Government.

This indicates that the King Government intends to use the Tariff Board; to enlarge rather than diminish its power. And it would appear as if most of those who are complaining about loss of order-in-council protection will be invited to apply for an investigation by the board so that their just protection requirements may be written into the Tariff Act.

Newfoundland Withdraws Export Levy on Timber

The export levy of 25 cents a cord has been withdrawn from shipments of Newfoundland timber. This action was taken recently to offset to some extent the severe competition to which exports of unmanufactured wood from Newfoundland and Labrador meet in foreign markets.

FRY, MILLS, SPENCE & CO., LIMITED
announces the withdrawal of
Mr. Harold Fry as a Director
and the change in the Company's name to
MILLS, SPENCE & CO., LIMITED
TORONTO WINNIPEG HAMILTON MONTREAL

MR. HAROLD FRY
announces the formation of the firm of
FRY & COMPANY
to deal in
Government, Municipal and Corporation Bonds
with offices at
25 KING ST. WEST
ADelaide 1303
TORONTO

A GOOD "PROVIDER" . . . . FOR THE FUTURE?

Often a man concentrates so closely on providing for his family from month to month that he does not get around to planning for the future.

Yet in nearly all cases, an hour or two of thought—in consultation with an attorney for drafting or remodeling a will—may strengthen a family's defense against the future immeasurably, even without the accumulation of additional property.

We suggest that you "take some time off" from the business of providing for your family in the immediate present and devote it to providing for their future.

We shall be glad to discuss the practical working aspects of estate administration with you at your convenience.

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Canadian Commodity Exchange, Inc.
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The Only
Complete Low-Priced Car
CHEVROLET

Consider Both Sides of the Story

IT'S pretty early, as yet, to point a significant trend from the sales figures of the new 1936 automobiles. But, if you look at the records available, you'll see Chevrolet well up in the lead.

We think it deserves to be—and that it will certainly continue to be—because it is the *only complete low-priced car.*

Now there are usually two sides to a story. And the story of Chevrolet's *completeness* is no exception to the general rule.

First of all—there's the side that tells *how much you get!* You might look at that side of it this way:

There are six outstanding motor car advancements in popular demand today. They're desirable from every angle—including beauty, comfort, performance, safety, economy and value. You could list them like this:

1. Hydraulic Brakes.
2. The one-piece solid steel roof.
3. Independent front wheel springing.
4. The high compression Valve-in-Head engine.
5. No-draft Ventilation.
6. Safety Glass all around.

It's not surprising that every one of these features is found on several of the world's highest priced cars.

But far more important to *you* than that: ALL these great and good things of enjoyable motoring are offered to you on *one* of the cars selling in the very lowest price range!

The name of this car is Chevrolet. And that introduces the other side of our story about Chevrolet's *completeness;* which is, how little it costs you to have all the things you want in a new automobile.

You have a fair idea already of the price of a Chevrolet car. The actual delivered price (less freight and license fee only) is printed below for you to see and compare.

You know, too, that Chevrolet is one of the world's most economical cars to operate and maintain. Owners claim that a Chevrolet costs less for gas, oil and repairs than any other car; and our own careful test-records go to bear them out.

Yet the fact is that this low-priced car offers you ALL SIX of today's outstanding motoring essentials . . . *New, Perfected Hydraulic Brakes,* for greatest driving safety . . . *Solid Steel Turret Top Bodies by Fisher,* for beauty and comfort, and greater protection . . . *Knee-Action,** for safer and smoother riding . . . *Fisher No-Draft Ventilation,* for healthful comfort . . . *High compression Valve-in-Head engine,* the economical and powerful kind used on *every* racing car, airplane and speedboat that has broken an outstanding record . . . And Safety Glass in every window!

No other low-priced car offers you these up-to-date advantages. Chevrolet—alone in its class—presents them all!

That is why we say that "Complete" is the only word that fully describes Chevrolet for 1936. That's why we say it will pay you to go to the nearest Chevrolet dealer's and drive "The Only Complete Low-Priced Car" *today!*

*On Master De Luxe Models

PRICED FROM $772 (STANDARD 2-Pass. COUPE)

Delivered at factory, Oshawa, Ont., fully equipped.
Freight and Government Registration Tax only extra.

MASTER DE LUXE MODELS begin at $905 at factory

Purchase your new Chevrolet on greatly reduced time payments, through the new 7% GMAC Canadian Plan

Consider the Company Back of the Car

GENERAL MOTORS PRODUCTS OF CANADA LIMITED, OSHAWA, ONTARIO

M36-C8

Investment Trends —

Optimism May Indicate Limits

• • • •

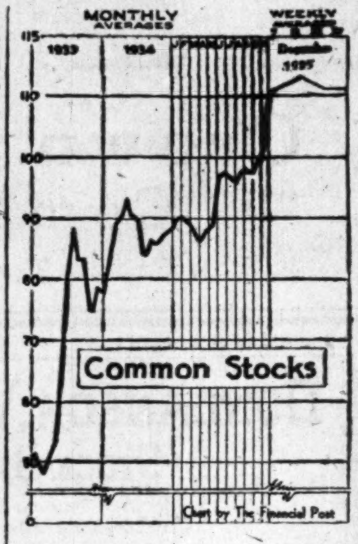
Accumulation on Declines

The fact that share prices at the opening of the year have been at or above their 1935 peaks may account for optimism that pervades financial circles. The same fact is taken by market analysts to indicate that the possibility of extension of the rise of stocks is more limited than at the opening of 1935.

A characteristic of the early stages of recovery is the partly psychological tendency of the community at large to build up liquid assets. This is showing in investments. Increased income has nowhere to go except into the limited number of securities available, hence tending to keep prices firm.

One fear of investment men is that some blow to confidence may bring American selling of Canadian securities. This would cause a marked slump.

European buying of U. S. securities has dwindled.



Common stock prices have made new highs since the turn of the year, which are not yet shown on the above graph of Dominion Bureau indices. The recent rise has occurred without a serious intervening decline although there was hesitation in December.

Market Movements

THE Montreal Stock Exchange average for industrial shares has risen well above 70, the Toronto Stock Exchange figure above 130. In New York, rail averages are strong on improved revenue figures. Strength in industrial issues has been somewhat spotty. The fact that movements have been by stocks in groups may indicate that necessary liquidation is being absorbed without serious disturbance of the average price level.

One leading investment service contributes this analysis of the present situation:

It is possible that share prices will continue to rise from present levels without early interruption. Since something similar has been going on for nine months, the further rise would furnish a good opportunity to liquidate part of stock holdings.

On an important decline in the next few months, say a setback of ten per cent in average prices, the wise investor will accumulate stocks.

* * *

Is This Inflation?

COMMODITY prices have risen 14.6 per cent in Canada since February, 1933. In the United States, the rise has been about 15.4 per cent. If there be inflation, this seems a modest increase. Nevertheless, the rise contributes to an expansion of business, which, in turn, contributes to an increase in consumption of commodities.

* * *

Tax Influence

A SUBSTANTIAL number of enquiries are noted by prominent investment firms from heavy income tax payers who are seeking securities which yield nothing but have prospects of giving returns in nontaxable capital appreciation. The effect of a demand of this kind may be to keep prices firm for some depreciated preferred and common shares that pay no dividends. This tax influence is likely to persist, especially with Ontario starting to levy income taxes. The type of securities that may be affected would include such issues as: Canada Wire & Cable A; Lake of the Woods common; National Grocers common; perhaps Canadian Car and Foundry, Farmers Dairy, General Steel Wares, Dominion Tar, and similar preferreds.

* * *

Confidence Required

HOLDERS of securities of companies depending on the building industry are still waiting for real recovery. Encouragement is given in the highly conservative comment of J. D. Johnson, president of Canada Cement Co., in presenting the annual statement:

"The construction industry in the other countries of the world, outside of Canada, is showing considerable activity, in some countries reaching boom conditions. It would seem, therefore, that at least a moderate revival of the industry, particularly in private building, is overdue in Canada. It is not expected that progress will be rapid, but there are indications of a turn toward improvement."

A good deal of what revival there has been in building in Canada and the United States has rested on government spending. If this is stopped it might appear to make it difficult to get recovery of the building and construction trades under way. There is another consideration, however, expressed by Col. L. P. Ayres of the Cleveland Trust Co., as follows:

> "It is hard to see how such a recovery can get under way on a large scale unless and until the confidence of industrialists and investors can rest on the solid conviction that the budget is actually going to be balanced and kept so."

A discussion of construction shares appears on page 9.

* * *

U. S. Constitution

ILLEGALITY of Mr. Roosevelt's farm bonusing legislation is hardly encouraging to Canada. This country stood to benefit from high U. S. prices manufactured by the American government. The constitutional problem in the United States is such that some doubt may be cast on the legality of the Canada-U. S. trade agreement.

CANADA

THRIVING NEW GOLD INDUSTRY—

QUEBEC

IT IS hard to realize today that Quebec produced virtually no gold until 1928, when for the first time the production of this metal in the Province of Quebec passed the million dollar mark. Since then the record has been a striking one. For 1935, this thriving new industry, with an output approximating $16,700,000 will account for over 14% of the Dominion's total production.

Quebec's northern mining frontier is alive with activity. Ten new mines came into production during the past two and a half years, and a number of these have already increased their initial milling capacity. Others are nearing the production stage.

In 1934, gold represented 43% of Quebec's mineral output, and during the past year has gone further into the lead as Quebec's most important mineral product.

	Gold Prod. Quebec	*Gold Prod. Canada*	*% of Total Production*
1929	$ 1,800,000	$ 39,800,000	4%
1933	$ 7,900,000	$ 84,300,000	9%
1935	$16,700,000	$115,800,000	14%

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THAYERS, LTD. SHAREHOLDERS MEET JAN. 22

Bylaws to Regularize Changes in Preferred Payment Periods

Proxies are being sought by the board of Thayer's Ltd in favor of certain changes to be made in the preferred stock at a special general meeting of shareholders at London on January 22.

It is asked that the word "first" be omitted from the description of the first preference $3.50 cumulative no par value stock and that the provision for payment quarterly be changed to permit payment in such installments as the board may determine from time to time. The payments have been on a semiannual basis since 1933 and this is to regularize the change in practice.

The gist of other changes suggested is shown in the following table:

	Shares Authorized	Shares Issued	Shares Out.
1st pref.	20,000	10,000	9,550
New pref.†	19,550	10,000	9,550
2nd pref.* ..	......	......	50
Now canc.	......	......	......
Common‡ ..	100,000	50,454	50,454

*Reported cancelled in 1933. Legal effect is now given.

†Provision that they are issued and alloted at $50 a share.

‡Board to determine aggregate consideration which is not to exceed $100,000 but can be increased as board deems expedient on payment of additional fees required. Unchanged.

Gen. Steel Wares Earnings Better

General Steel Wares with 800 men on the pay roll at the Toronto plant is employing close to 100 men more than at this time last year. At the same time it is understood that earnings for 1935 were somewhat better than in 1934, when the company was able to earn its bond interest by a comfortable margin.

There has been a growing amount of talk in regard to the anticipated capital reorganization of General Steel Wares. The preferred stock has been in arrears of dividends for several years and it is understood that before long a plan will be submitted to the shareholders, which will liquidate the arrears.

W. A. Black Resigns From Ogilvie Flour

From Our Own Correspondent

MONTREAL.—W. A. Black, who retired from the presidency of Ogilvie Flour Mills at the annual meeting of shareholders, has resigned from the board of directors. He is replaced by G. A. Morris, general manager of the company. Mr. Black stated that his withdrawal from the company, with which he has been associated for many years, is due to "personal and family reasons"

Investment Notes

Frost Steel Securities

Frost Steel and Wire Co. continues to keep arrears of first preferred dividends from mounting above $19.25 a share. These arrears, however, must be dealt with, and second preference dividends must also have consideration, before there is any prospect of a payment on the common stock. Nevertheless, continuation of agricultural recovery, to the benefit of sales, may eventually bring some improvement for the common. The first preferred at 89 yields nearly eight per cent.

* * *

Sells Nickel

J. C. Nicholls, assistant to the president of International Nickel Co., disposed of 1,700 shares of the company's stock in November, decreasing his holdings to 42,034 shares.

* * *

Buyer of Twin City

T. Julian McGill, president of Twin City Rapid Transit Co., added 500 shares of common stock to his holdings in the company in November bringing his total to 1,800 shares.

* * *

Celanese Market

The selling side of the market in Canadian Celanese common above 30 is described as similar to the persistent buying around 20 last summer.

* * *

Canada Bread Progress

The Canada Bread interim earnings report, outlined in this issue, shows a bright prospect for the revamped B preferred shares. Earnings have been much better than indicated at the time of reorganization last summer. At $40 each, the shares would yield over six per cent on the full annual dividend of $2.50. The rise of the shares from the early 20's indicates strengthening of hopes of payment of the dividend. There is also the prospect of some eventual participation with the common if earnings continue to rise.

* * *

Merry Christmas

Laura Secord Candy Shops had exceptionally good Christmas sales volume. This represents an increase in the peak sales period, so that it means a lot toward a better year.

* * *

Kelvinator Position

The small decline in profits of Kelvinator of Canada appears less important to the common shares than the improvement in liquidity. The way is being paved toward dividend possibilities.

* * *

Foreign Power Securities

Earnings and the immediate outlook for Foreign Power Securities Corp. necessitate continued deferment of dividends on the preferred stock, according to A. J. Nesbitt, president. "In some cases the fulfillment of operating programmes in the companies (in which Foreign Power Securities is interested) has had to be abandoned until such time as some tangible evidence is created that a more permanent basis of monetary stability prevails," he states. In the event of business and monetary improvement in France, Mr. Nesbitt expects prompt betterment in the company's earnings.

* * *

Bank Stock Prices

Market value of the capital stock of nine of the leading Canadian chartered banks registered a net decline of $9,335,000 during 1935. A comparison of the closing quotations at the end of last year, as against those prevailing at the close of 1934, shows that the stocks of seven of the nine banks had a lower value, but those for the Imperial Bank and Banque Canadienne Nationale were each five points higher.

The change in bank stock values over the past year are set out hereunder:

	Year End 1935	Year End 1934	Chge.
Bank of Canada	52½	55¼	— 2¾
Bank of Montreal	200	202½	— 2½
Banque Can. Nat.	133	128	+ 5
Bk. of Nova Scotia ...	271	279	— 8
Bank of Toronto	217	219	— 2
Can. Bk. of Commerce	149¼	167	—17¾
Dominion Bank	185	199	—14
Imperial Bank	203	198	+ 5
Royal Bank	165	169½	— 4½

* * *

Beatty First Preferred

Beatty Bros. first preferred stock at about 93 yields almost 6½ per cent. Since the dividend rate is six per cent, the shares do not seem to be in grave danger of redemption at $110 each. It would hardly be profitable to redeem the stock. The dividend was not fully earned in 1932, 1933 and 1934, but was covered by a wide margin in the year ended Aug. 31, 1935. In view of the company's increasing business, and large reserves, the preferred shares have attractions. There are no senior securities, and the preferred stock issue has been reduced by 20 per cent since 1929.

* * *

Dominion Bridge

Though Dominion Bridge's annual report for 1935 did not show any marked change in operating profits, the president's remarks on the volume of business handled will be taken by shareholders as indicative of a change for the better. During the past year the company's new business was 78 per cent larger than that entered in the previous year. Part of this was due to an increase in government orders for relief works, but orders for industrial building and plate work were 21½ and miscellaneous and warehouse orders were 41½ per cent higher, all of which leads to the expression of hope by the president that earning power will be on a larger scale during the year ended next October.

* * *

Newsprint Comes Back

Growing conviction that the newsprint industry is on the way back, has resulted in more trading in the newsprint securities during the past eight weeks than in the previous two or three years. The buying is "right across the board." There has been little effort to discriminate between the merits of the different types of securities offered, though bonds are naturally favored at this time as they will be the first to recover. In many cases market values have doubled and tripled. The percentage gain in values has been greater than shown for any group of securities in some time, even including the alcohol stocks. For those investors who are prepared to sit back and wait for the full recovery of the industry, the purchase of newsprint securities at this time offers better than average possibilities.

* * *

Canadian Celanese

Directors of Canadian Celanese Corp., at their first meeting this year, did not take any action in respect to paying a dividend on the common stock. For some time it has been expected that the directors would place the stock on a paying basis. It is understood that some of the directors favor the payment of an interim dividend of about $1 a share, while others would prefer to see the stock placed on a regular quarterly basis. The company is now in a position to pay $1 or more annually on the common. There is no official reason for the delay in deciding on the dividend policy, but it is believed that the board is withholding action until the full returns for 1935 are available.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 19	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low		36.8	1.4	34.9	78.3	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
September	118.7	12.4	61.2	206.6	61.8	128.7	126.5	147.1	46.3	97.5
October	123.0	12.6	60.9	215.1	63.5	134.4	133.2	152.9	45.6	100.0
November	127.8	14.6	66.9	228.7	69.0	145.7	157.3	170.3	50.9	110.4
Weekly Figures, 1935:										
Dec. 5	124.6	15.0	75.4	215.0	69.4	147.9	161.7	175.6	50.9	111.4
Dec. 12	126.3	15.5	75.0	215.8	70.5	148.5	165.4	180.5	50.5	113.3
Dec. 19	124.5	16.0	76.2	217.9	70.1	148.7	156.2	176.1	49.4	110.8
Dec. 26	124.3	16.3	77.6	212.0	70.7	148.8	154.3	176.1	49.4	110.2
Jan. 2	125.3	17.3	78.6	212.6	72.1	149.5	155.1	178.3	49.8	111.4

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Jan. 7	130.13	121.27	123.62
Jan. 6	129.13	121.66	123.59
Jan. 4	130.92	121.45	124.30
Jan. 3	130.15	121.33	124.77
Jan. 2	129.50	121.41	124.42
Dec. 31	128.55	120.83	124.28
Month ago .	127.74	120.47	125.67
Year ago ...	108.30	117.62	88.51
High, 1935 ..	130.92	123.68	130.79
Low, 1935 ...	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Jan. 7	69.0	71.1	70.4
Jan. 6	68.3	70.8	70.0
Jan. 4	68.1	70.7	69.9
Jan. 3	68.0	70.5	69.6
Jan. 2	68.4	69.3	69.7
Dec. 31	68.6	69.3	69.1
Month ago	65.9	66.0	66.2
Year ago	63.1	62.2	62.5
High, 1935	69.6	69.3	69.1
Low, 1935	56.1	54.8	56.1

Full Set-up is Described Walker Distillery Group

United States Prospectus Lays Bare Details of Financing Huge Canadian Controlled Concern With Plants Serving Three Countries

Of $8 millions Hiram-Walker Gooderham & Worts, Ltd. 4¼ per cent 10-year convertible debentures due 1945, the prospectus shows that $1 million will be placed in Canada at par. Mara & McCarthy, Toronto, took half a million dollars of this amount at 97 and accrued interest and Osler & Hammond took another half million dollars. All the rest of the underwriting firms, headed by Hornblower & Weeks of New York City and Chicago, are in the United States.

The two Canadian underwriting firms are represented on the board of the company. George T. Chisholm, director, is a partner of Osler & Hammond. Leigh M. McCarthy, director, is a partner of Mara & McCarthy.

Halts Preference Redemption

The 49-page prospectus published by the company in line with requirements of Washington and of the New York Stock Exchange makes plain some important differences in the policy of the company which have resulted from the United States venture. For one thing this $8 millions debenture issue definitely ends for some time further redemption and cancellation of cumulative redeemable preference shares. There still remain 460,818 shares redeemable at $20 and paying $1 a share in dividends. Not a share can be redeemed until debentures are paid off. The company has the right to call the new debenture issue at any time but it is entirely likely that for some years to come it will have very active uses for its money in the business.

Can Pay on Common

No common dividend can be paid if such reduces the net current assets below the total of outstanding debentures it is stated. On August 31, 1935, current assets were $20.8 millions and current liabilities $10 millions, leaving net current assets at nearly $10.8 millions. Use of $7.7 millions of net proceeds of the debenture issue will make net current assets more than double total debenture issue if a large part of the $8 millions in banks loans are paid off as intimated. Especially will this be possible if the company wins the $2 millions suit against 15 fire insurance companies in connection with the fire which destroyed a warehouse at the Peoria, Ill. plant.

The Guaranty Trust Co. of New York, N.Y., which is trustee under the indenture, is banker for the company in the United States. The company and its subsidiary, Hiram Walker & Sons Distilleries, Inc., have borrowed from it nearly $7.5 millions. Guaranty Trust Co. also acts as registrar for preference and common stocks and is registrar and paying agent for the debentures under the indenture.

Hiram Walker - Gooderham & Worts directors are by that fact directors of Hiram Walker & Sons Distilleries, Inc., except for F. K. Morrow, L. M. McCarthy and J. F. Lash, of Toronto and Duncan Macleod of Glasgow, Scotland. W. E. Hull, who is director and vice-president of Hiram Walker & Sons Distilleries, Inc., is not a director of the parent company.

A threat of indefinite extent is contained in the investigation by the U. S. Customs of the liability of Canadian subsidiaries for liquor imported into the United States prior to the repeal of prohibition. No claim has been asserted and counsel both in Canada and the United States advise the company that such a claim, if asserted, could not be successfully pursued on the pertinent facts disclosed to them.

Balance sheets of parent company and subsidiaries show that the parent company does nearly all the bank borrowing and lends out practically all of its current assets to subsidiaries. Of its entire assets of $39.6 millions its holdings in shares of subsidiaries and advances to them take up $39.1 millions. Its entire gross income of $5.7 millions in 1935 came from dividends and interest from subsidiaries and compares with $1.1 millions in the year ended August 31, 1934, and $476,097 in the preceding year.

Operations in the United States have raised earned surplus from a deficit of $24,817 on August 31, 1933, to a surplus of $6.3 millions at the end of the 1935 fiscal year. The improvement since 1933 has therefore made it possible for the company to pay common as well as preferred dividends at the discretion of the directors. This earned surplus position of the parent company was not apparent from the consolidated statement which in every year showed a large surplus.

Investment of parent company in shares of subsidiaries is $8.2 millions more than par value of those shares plus surpluses of subsidiaries. It shows this surplus over equity as an intangible asset under "Goodwill, processes and trademarks." The net depreciated cost of its properties totals $10.6 millions, divided as follows: United States, $7.5 millions; Toronto $1.2 millions; Walkerville, $1.9 millions.

Selling Expenses Leap

The greater scope of business since United States dry laws ended on December 5, 1933, is shown by the fact that the company had to increase its advertising expenses from $82,463 in the year ended August 31, 1933, the last full fiscal year under dry laws, to $2.1 millions in the 1935 fiscal year, the first full year under wet laws. In the same period district office expenses went up from $47,946 to $758,381, salesmen's salary and travelling expenses from $119,655 to $1.6 millions, general office and operating and travelling expenses from $201,045 to $704,565 and insurance, shipping, storage and handling from $467,817 to $1.5 millions. The total of all these items in the period advanced from $918,925 to $6.6 millions.

At the same time gross sales in the United States rose to $38.6 millions. Total sales for all Walker enterprises amounted to $45.4 millions.

The balance sheet of Hiram Walker & Sons Distilleries, Inc., shows the exact scope of the United States venture. Almost all its assets consist of $276,000 in stock of subsidiaries and $18 millions advanced to these subsidiaries. It owes $15.7 millions to parent company in Canada and $2.6 millions are shown as earned surplus. Its net income from November 15, 1933 to August 31, 1935, was $66,068 after interest on advances and all taxes. Its consolidated statement, however, shows current assets of $11 millions including cash $705,594, receivables $3.6 millions and inventories $6.7 millions.

Net Income

The net U. S. income from November 15, 1933 to August 31, 1934, was $427,685 and $1 million in the next 12 months, the first full year under wet laws.

To run this enterprise it has been found necessary to form two dozen companies. Nine of these are United States companies but three of the Canadian companies have a definite direct interest in United States operations.

DOMINION COAL OUTPUT LOWER FOR PAST YEAR

Compete With Power and Oil — Large Outlay on Properties

From Our Own Correspondent

MONTREAL. — Dominion Coal Co.'s output of coal in 1935 declined from the high level reported in 1934. While no figures have been issued by the management, it is anticipated that revenues will reflect the decrease in activity, but dividends on the company's preferred stock will be covered by a good margin.

The falling off in demand for coal is attributed in part to the increased competition from oil and hydro-electric companies. These competitors have found an outlet for their products as a substitution for coal, based on unremunerative prices, which enables them to compete with coal while these low prices prevail. The hope is held out that with a return of industrial activity, better prices for petroleum products and for electricity will ease the competition with coal, which has been so burdensome to Dominion Coal and other operators in recent years.

Fry & Co. New Bond Firm, Mills, Spence & Co. Named

Harold Fry has announced his withdrawal as a director of Fry, Mills, Spence & Co. Ltd., Toronto investment firm. He has formed Fry & Company to deal in government, municipal and corporation bonds. Offices are in The Canadian Bank of Commerce Building, Toronto. Mills, Spence & Co. Ltd. has been formed to carry on the investment business formerly known as Fry, Mills, Spence & Co. Ltd. Apart from the withdrawal of Mr. Fry to form his own firm, there are few changes in the personnel. A general investment business in government municipal and corporation securities will continue to be carried on by Mills, Spence & Co. at Toronto, Winnipeg, Hamilton and Montreal.

HAROLD FRY

DOSCO'S STEEL SALES INCREASE PAST 12 MONTHS

From Our Own Correspondent

MONTREAL.—Iron and steel production at the Sydney plant of the Dominion Steel and Coal Corp. recorded an increase in 1935 as compared with the preceding twelve months. Reflecting the gain in business, the second blast furnace was blown in on November 2 last, after being idle over 5½ years.

Greater sales of wire and wire products were made in western and mid-western Canada during last year. Ontario and Quebec, with their large number of finishing plants, purchased more semi-finished steel than in 1934.

Export Trade Grows

In the export field, Dosco was able to maintain and somewhat increase shipments of rails, billets, rods, bars and bar products to England, South Africa, New Zealand, Australia, British West Indies and Newfoundland. The company was successful in opening up a new market for rails in Peru, an order for 4,000 tons having been received.

Goderich Elevator Earnings Improve

G. L. Parsons, president of Goderich Elevator and Transit Co., in a letter to shareholders, states that earnings of the company in the fiscal year ending March 31, 1936, will be well above those for the 1934-35 year. The last financial year showed earnings of 15 cents a share.

A dividend of 25 cents a share was paid January 2, 1936.

Mr. Parsons states, in part:

"By the close of navigation we had received 6,000,000 bushels, the average of the past four years. Since the close the grain movement has taken on a more active stride; Canadian wheat is in demand for export; domestic mills are busy and have good prospect of continuing so. Scarcity of Argentine wheat for foreign shipment has enhanced our price and the newly constituted wheat board is taking advantage of every profitable opportunity.

"A survey of our earnings to the close of navigation and estimate for the winter months would indicate a much more remunerative result than last year and better than the average since 1931. The feeling of the trade—farming, transporting, milling—is more optimistic than has been the case for several years."

New Issue

United Amusement Corporation, Limited
5% First Mortgage Sinking Fund Bonds
Due February 1st, 1956
Denominations: $1,000, $500 and $100.
Price: 101.25 and interest, to yield 4.90%

United Amusement Corporation, Limited has operated a chain of motion picture theatres since 1924 in Greater Montreal and the City of Sherbrooke, P.Q. Famous Players Canadian Corporation holds a substantial investment in the Company's capital stock.

Average annual earnings for the five years ended August 31st, 1935, available for bond interest, were more than 4.35 times annual interest requirements on this new issue, and 3.40 times after depreciation.

Descriptive circular gladly forwarded upon request.

Wood, Gundy & Company
Limited
Toronto
Montreal
Winnipeg
London, Eng.
36 King Street West
Toronto
TELEPHONE: ELGIN 4321
Ottawa
Hamilton
Vancouver
London, Ont.

Canada Bread —

Six Months Statement Reveals Sound Progress for Last Half of 1935 — Sales Are Higher

In the last six months of 1935 Canada Bread Co. earned $6.56 a share on $1,250,000 of first preference cumulative five per cent stock as compared with $4.47 for the whole year ended June 30, 1935. This is equivalent to about three times the previous rate. The company has issued an official statement covering operations for the last half of 1935.

Although dividends so far are only being paid at a four per cent rate, shareholders apparently are expecting more as stock recently has been selling near the high of 95 for 1935.

B Stock Moves Up

The position of the $1,250,000 B preference stock of $50 par value also seems encouraging. In the last half of 1935 the company earned $2.03 a share on the B stock whereas the rate of five per cent on a $50 par value stock only calls for $1.25 a share. Nothing has been paid but arrears become valuable in view of the fact that the dividend is being more than earned and cash resources greatly increased. Nothing had been previously earned on class B stock since 1932 or paid since 1933.

Common stock is now being sold on the stock market at six. The company earned 9.75 cents a share on this during the last half of 1935, or almost 20 cents at a yearly rate.

Immediate market reaction to profits statement for the six months has been a slight drop in the common. The high for 1935 was 6½ and the low two. Back in 1932 it sold as low as one. It has shown no earnings since 1930.

Interest Earned Four Times

Bond interest was earned nearly four times in the last half of 1935. Annual sinking fund requirement is one per cent of outstanding bonds. Back in October the board set aside a special fund of $94,040 to provide for payment of bonds maturing in 1941. So far it has used $10,780 and the remaining $83,260 is enough to meet all sinking fund needs to 1941.

The bonds may get more attention than this, however. C. H. Carlisle, president, states that the directors appreciate that "for the absolute protection of the equity of shareholders adequate provision must be made for the payment of bonds due in 1941." The special fund provided in October was 10 per cent of the total. The bonds are callable as a whole or in part at 110 and interest on any interest date on three months notice. Interest payments are on February 1 and August 1 of each year.

Sales Increase

Marked increase in market value of all Canada Bread securities was in anticipation of just what has occurred in the way of increased sales, profits and working capital. The improvement has been very rapid as revealed in the official statement issued. December results are estimated but Mr. Carlisle states that "the estimates made are not greater than the actual results will show."

Sales in the last six months of 1935 were 5.8 per cent greater than for the same period of 1934 and 12.5 per cent more than the last half of 1933.

Six Months Profits Statements

	2nd half of 1935 $	2nd half of 1934 $	2nd half of 1933 $
Loss*		....	69,472
Profit	100,000	12,689	....
Inc. taxes ...	18,000	*8,300	....
Net profit ...	82,000	*4,389	†69,472
1st pref. divs.	25,000	....	....
Surplus	57,000	*4,389	†69,472
Prev. surplus	79,747	‡	‡
Carried fwd..	•136,747	‡1,559,295	‡1,576,724

*Estimated. † Loss. ‡ Amounts carried forward on June 30, 1934 and 1935 are shown here. • Change in amount carried forward results from revaluation of total assets and surplus by cutting out excess created by appraisals.

Note:—Profit or loss on sale of securities is not included in this table.

Cash Resources Expand

Working capital has advanced from $11,906 on December 31, 1933, to $177,103 at the end of 1934 and $230,000 at the end of 1935. Current assets are twice as large as current liabilities and the working capital shown does not include the special fund of $94,040 which was set aside to provide for payment of bonds.

INVESTORS' OPPORTUNITY

About $25,000.00 additional working capital required by well-established firm for the operation of a good size modern flour mill. Investor can be active or silent. For full details write to Box 276, Financial Post, Toronto.

The 1935 Recovery and the 1936 Outlook

Industrials
Oils, Wheat
Base Metals
Golds, Silvers
Indexes of Physical Volume of Business and Common Stock Prices
Foreign Trade

We have prepared a twelve page brochure picturing the 1936 outlook for Canadian Securities and commodities in relation to the 1935 recovery and comparing Canada's present position and record with that of other leading countries of the world.

The statistics, charts and conclusions contained in this brochure should be of interest to every investor. A limited number of copies are available upon request.

MEMBERS
The Toronto Stock Exchange
Winnipeg Grain Exchange
Montreal Curb Market
Chicago Board of Trade
Canadian Commodity Exchange Inc.

OFFICES
TORONTO, MONTREAL, HAMILTON, SARNIA
OWEN SOUND, TIMMINS, COBALT
NORANDA, SUDBURY, KIRKLAND LAKE
NORTH BAY

F. O'HEARN & Co.
WAverley 7881
11 KING ST. W., TORONTO

CONVERSION NOTICE

To Holders of United Amusement Corporation Limited 6% First Mortgage Bonds, due 1942.

The Purchasers of the new 5% First Mortgage Twenty-Year Bonds to be issued by this Company are prepared, while they have any of the new issue in hand unsold, to exchange the new bonds for the 6% First Mortgage Bonds which have been called for redemption on the first of March, 1936.

The new 5% bonds are being offered at 101¼, and as the call price on the 6% bonds is 103, the difference of 1¾% will be paid to the holders of the present 6% Bonds making the exchange, together with interest adjustment from the First of February, 1936, to the First of March, 1936, between which dates the new bonds bear 5% and the old bonds 6%.

Any holders desiring to make this exchange shall do so at the offices of W. C. Pitfield & Company, Limited, or Wood, Gundy & Company, Limited, or Greenshields & Co Inc., and Société de Placements Incorporée, by presenting their bonds for conversion on or before January 15th, 1936.

UNITED AMUSEMENT CORPORATION LIMITED.

Bond Markets

Industrial Issues Advance

• • • •

Newsprint Bonds Appreciate

With a further improvement in business anticipated for 1936, industrial bond issues are attracting greater attention.

Since the first of the year, Canadian corporation bonds have continued their price climb, gains being recorded in almost every type of issue. In low-priced industrial bonds, there has been a decided upward swing.

The first major refunding operation of the Dominion government in 1936 is to be a $48 million long-term bond issue in the United States. The issue is to be a 25-year maturity bearing interest at 3¼ per cent.

Alberta is receiving little support from bond dealers for its refunding proposal.

The intimation in this column last week that Howard Smith Paper Mills may be entirely refinanced should be confirmed in the near future.

Maturing Gov't Issues

THE amount of Canadian public bonds maturing in 1936 is estimated by A. E. Ames & Co. to be $327.6 millions, or $65 millions less than in 1935. In addition, there will be $186 millions of publicly held treasury bills falling due. The amount of Canadian public bonds outstanding at Jan. 1 is placed at $6,954,239,007.

No definite estimate of the amount of government financing in prospect for 1936 is available. A great deal depends on whether a major refunding scheme is undertaken. The requirements for new capital will depend upon the success of governments in balancing their current accounts and controlling capital and unemployment relief expenditures.

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Interest Required

WHILE $650 millions of new capital has been raised during the past three years to meet the fiscal needs of Canadian governments, the total interest required in 1936 will be only six per cent more than in 1933.

The amount of interest payable in 1936 is estimated at $305.6 millions as compared with $289 millions in 1933. In the same period the national income of Canada has increased by about 25 per cent.

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Newsprint Bonds

LOW-PRICED newsprint bonds are attracting widespread speculation. Because of the substantial improvement recorded in the volume of newsprint production in 1935 these bonds are acting something like common stocks. The increase in production may eventually be reflected in profits.

Prices of newsprint bonds have, however, shown marked appreciation in recent months. While the industry itself has misgivings as to the effects of the Great Lakes Paper reorganization, the bond market appears to have no apprehension.

Below are comparative bid prices of six depreciated bonds:

Newsprint Bonds

	Int. Rate %	Due	Jan. 1936	Sept. 1935	Gain
Abitibi Pwr.	5	'53	41½	28	13½
Cons. Paper	5½	'61	31½	15	16½
Gt. L. Paper	6	'50	46½	38½	8
Lake St. John P. & Paper	6½	'47	90	62	28
M. & O. Paper	6	'45	32	15	17
Donnacona P.	5½	'48	57½	41	16½

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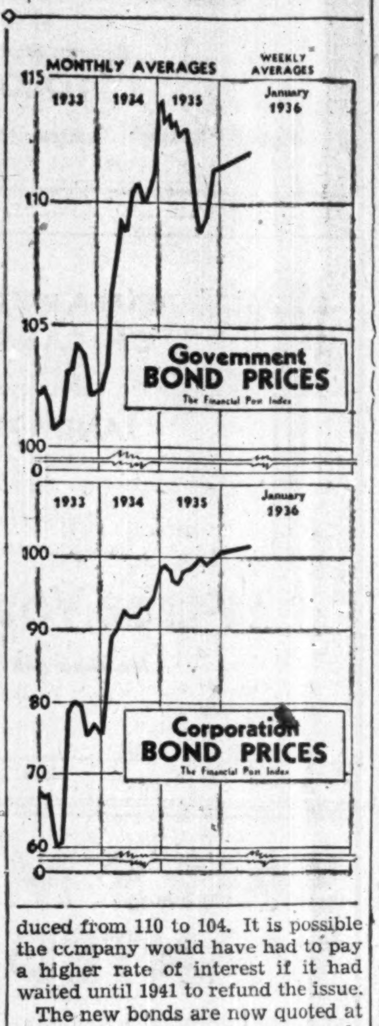
Maritime Telegraph Conversion

APPROXIMATELY 85 per cent of the holders of the six per cent bonds of Maritime Telegraph and Telephone Co., due 1941, have accepted the offer of conversion into new 30-year bonds carrying interest at six per cent until July 1, 1941. The rate after that date is 4½ per cent until maturity.

A substantial saving will accrue to the company as a result of the conversion, the call price being reduced from 110 to 104. It is possible the company would have had to pay a higher rate of interest if it had waited until 1941 to refund the issue.

The new bonds are now quoted at a premium. Conversion was made at par.



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Corporation Bonds Active

TRADING activity in corporation issues has recently shown a marked increase and gains have been chalked up throughout the entire list. Most important rises have been recorded by depreciated issues which stand to make large gains from further substantial improvement in business. Among the most important of these have been Canada Steamship 6's, Gypsum Lime & Alabastine 5½'s and Price Bros. 6's.

Quebec power bonds also shared in the general appreciation. Gatineau gained a point, Maclaren-Quebec, five points and Ottawa Valley Power 1½ points.

The market apparently feels that the benefits accruing to Maclaren-Quebec from the new Hydro contract had been under-estimated.

• • •

Government Issues Steady

GILT-EDGED government bonds continue to show strength despite signs that small investors are generally shifting their interest to industrial issues. Interest in Dominion government bonds centres on short and medium term issues.

In the provincial list, Ontario issues have been the only ones to show signs of weakness. Maritime and Quebec issues registered gains of one-quarter to one-half a point. Western provincial issues have been steady, with Manitoba issues up one to 1½ points.

The trend of the gilt-edged market is indicated below:

The Financial Post Average Yield and Price For Seven High-Grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Jan. 7	3.563	111.93	Jan. 7	3.380	114.85
Jan. 6	3.563	111.93	Jan. 5	3.367	114.97
Jan. 4	3.540	112.21	Jan. 4	3.370	114.96
Jan. 3	3.540	112.21	Jan. 3	3.370	114.96
Jan. 2	3.540	112.21	Jan. 2	3.381	114.85
Year's	3.563	111.21	Year's	3.367	114.97
Range	3.540	111.98	Range	4.097	106.57

Eastern Securities Co. Offers Hotel Dieu Bonds

From Our Own Correspondent

MONTREAL. — Eastern Securities Co., of Saint John, N.B., is making a public offering of $200,000 4½ per cent first (closed and refunding) mortgage bonds of the Sisters of the Hotel Dieu, of Chatham, N.B., at par and accrued interest.

The bonds, which mature in 20 years, are payable as to principal and interest in Canadian funds only. The bonds are secured by a convenant of the entire order and further by a first closed mortgage on the land and buildings owned by the Sisters at Chatham and having a value of over $700,000. A sinking fund of 2 per cent annually will be set up for the retirement of the bonds.

Proceeds of the bond issue will be used by the order to retire an issue of 5½ per cent first mortgage bonds, issued December, 1930.

Fernie Cancels Bonds In Its Sinking Fund

As a step toward straightening out the affairs of the city of Fernie, the B. C. government has authorized cancellation of $341,000 of the city's outstanding bonds held in the municipal sinking fund.

This reduces the net debenture debt to about $115,000. The gross debt of Fernie was $538,000. Through cancellation of the bonds held in the sinking fund, this has been reduced to $197,000. There is slightly over $82,000 in other securities in the sinking fund to be applied against this.

Mining Dividends

	Rate	Close Jan. 6	Yield %
Anglo-Huronian	20c	4.20	..
Buff. Ankerite	20c	3.95	5.1
Bulolo Gold	2.60	35.25	7.3
Cariboo	10c	1.16	8.6
Coniagas†	12½c	3.00	..
Cons. Smelters	$1.25+$4	201.50	..
Dome Mines	$2+$2	42.00	9.5*
Falconbridge	30c	7.00	4.3
Hollinger	65c+25c	14.00	6.4*
Howey Gold	5c	.63½	..
Hudson Bay	$1	23.50	4.2
Int. Coal & Coke‡	1c	.15	..
Inter. Mining	60+5	13.35	4.9*
Int. Nickel, c.	$1	44.75	2.2
Kirk. Lake‡	3c	.57	..
Lake Shore	$2+$2	52.00	7.7*
Macassa	15c	3.22	4.6
McIntyre	$2	41.00	4.9
McKinley Sec.	5c	.55	..
McWatters Gold†	5c	1.59	..
Nipissing	25c	2.75	..
Noranda	$2	44.75	4.5
Nor. Canada†	2c	.32	..
Premier	12c+1c	1.85	7*
Pioneer, B.C.	80c	9.75	8.2
Reno	12c+2c	1.06	13.2*
San Antonio	21c	3.02	6.9
Siscoe	20c+3c	2.94	7.9*
So. Amer. Gold	30c	5.00	6
Sunshine	50c	20.25	..
Sylvanite	20c	2.50	8
Teck-Hughes	40c	4.90	8.2
Toburn	8c	1.29	6.2
Wright-Har.	40c+20c	7.80	7.7*
Ymir Yankee†	2c	.50	..

‡Interim. †Initial. *Yield includes bonus.

City of St. Lambert

TO BONDHOLDERS

Notice is hereby given that the City of St. Lambert has been authorized by the Quebec Municipal Commission to convene a meeting of its bondholders to be held on February the 10th, 1936, at 10 A.M., at the New Court House, 100 Notre Dame St. East, Montreal, Room 206a, to vote upon a proposed plan to reorganize its Funded debt.

The bondholders are requested to register their holdings with:

Mr. David M. Currie,
Secretary-Treasurer,
City of St. Lambert, Que.

The proposed plan will then be forwarded, with all necessary forms to be completed to enable them to attend regularly said meeting.

A committee of bondholders will be formed to study and to report to the meeting upon said plan.

This meeting is convened under Chap. 36, 24 Geo. V, 1934.

Dated at St. Lambert this 7th day of January, 1936.

DAVID M. CURRIE,
Secretary-Treasurer,
City of St. Lambert, P.Q.

DOMINION STORES IMPROVES RECORD AS YEAR CLOSES

Sales and Earnings Recovery in Last 6 Months Encouraging

Sales of Dominion Stores for 1935 showed a decrease of about $960,000, or 5.11 per cent, compared with 1934. The company operated an average of about three per cent fewer stores than in 1934.

Earnings may be a minus quantity because in the first half of the year substantial outlays for renovation, and large write-offs, were charged against earned surplus.

The second half of the year saw considerable improvement in the company's situation. Sales in the period actually showed a slight increase, although fewer stores were in operation than in 1934. At the end of the year, there were 489 stores in the chain, compared with 495 at the end of 1934.

Earnings, Dividends

It is considered unlikely that earnings in the latter half of the year will make up more than part of the earlier write-offs. Earned surplus at June 15, 1935, was $378,939, representing an impairment of $370,571, up to that date. The liquid position has shown consistent improvement.

Owing to necessity of clean-ups and write-offs in 1935, the outlook at the beginning of the year was not particularly bright. The prospect for 1936 is considered better because of the 1935 purging.

There is no indication that any early dividend payment on the shares is in prospect. The 1935 results are likely to show earned surplus below the total of $749,510 at the end of 1934, so that any dividend payment would amount to a distribution of earnings of past years.

Inventories Better

An important feature of the Dominion Stores situation is improvement in inventories. In the first half of 1935, excessive inventories were liquidated, and this contributed to the reduction of surplus.

Since then, firmer prices in many food lines have improved real inventory values, although stocks are understood to have been kept at moderate levels.

Sales of $17.9 millions for 1935 are the lowest for any year since 1926 when the total was $15.3 millions. Monthly sales comparison follows:

Dominion Stores Monthly Sales
(Subject to final adjustment)

4 wks. ended:	1935 $	1934 $	Decr. %
Jan. 26	1,226,611	1,373,111	10.67
Feb. 23	1,352,553	1,481,037	8.68
Mar. 23	1,417,909	1,528,273	7.22
Apr. 20	1,385,269	1,505,736	8.00
May 18	1,360,939	1,543,289	11.82
June 15	1,350,741	1,557,863	13.29
July 13	1,340,440	1,488,015	9.92
Aug. 10	1,313,961	1,372,530	4.27
Sept. 7	1,290,685	1,349,204	4.34
Oct. 5	1,472,157	1,475,326	0.22
Nov. 2	1,383,939	1,429,819	3.21
Nov. 30	1,405,210	1,350,423	*4.06
Dec. 28	1,575,089	1,383,769	*13.83
Year	17,875,503	18,838,395	5.11

*Increase.

UNITED AMUSE'T REFUNDING BONDS WITH NEW ISSUE

W. C. Pitfield Co. Heads Group Offering New Bonds at 101¼

From Our Own Correspondent

MONTREAL.—United Amusement Corp. is refunding its outstanding six per cent first mortgage bonds through the sale of a similar amount of first mortgage bonds bearing a lower interest rate.

The new issue has been underwritten by a syndicate comprising W. C. Pitfield and Co., Wood, Gundy and Co., Greenshields and Co., and Societe du Placements Inc. It will carry a five per cent coupon and mature on February 1, 1936. The new bonds are being offered to the public at 101¼ and accrued interest.

A portion of the new issue has been reserved for holders of the called issue who may wish to convert. The basis of conversion will be an allowance of 103 and accrued interest on March 1, 1936, on the six per cent issue in exchange for the new five per cent bonds at 101¼, or an allowance of 1¾ points, together with interest adjustment.

$1,250,000
United Amusement Corp. Ltd.
5% 1st Mort. 20-Year S. F. Bonds, Series A
Dated: Feb. 1, 1936 Due: Feb. 1, 1956

Payment of principal and interest in Canadian funds; redeemable on 60 days notice at a premium of 5 per cent on Aug. 1, 1936, the premium decreasing ¼ of 1 per cent each year thereafter.

Capital:	Authorized	Issued
1st mtge. bonds	$2,500,000	$1,250,000
Class A shs., n.p.v.	75,000 shs.	66,247 shs.
Class B shs., n.p.v.	25,000 shs.	8,121 shs.

Company: Operates a chain of 21 motion picture theatres in Greater Montreal and Sherbrooke.

Earnings: For five year period ended Aug. 31, 1935, average annual earnings 3.40 times after depreciation. Company has paid dividends continuously on capital stock in past 12 years.

Purpose of Issue: Redeem presently outstanding 6 per cent first mortgage bonds and other corporate purposes.

Sinking Fund: Annual cumulative sinking fund of 3 per cent to commence Feb. 1, 1937.

Offer: W. C. Pitfield and Co., Wood, Gundy and Co., Greenshields and Co., and Societe de Placements Inc., at 101¼ and accrued interest, to yield 4.90 per cent.

Niagara Falls Defers Interest Until Refunding

Although the city's financial position improved in 1935, Niagara Falls has decided not to pay any interest on its debentures until the proposed refunding scheme is complete.

Up to the present, the city has been in default on principal alone, but the new council decided that no provision will be made in the 1936 budget for interest payments of $170,000 falling due this year.

Salaries Increased

While bondholders are to be asked to forego their interest in the face of a surplus of revenue over expenditures in 1935, the council has approved a general increase of five per cent in salaries of all civic employees.

A 10 per cent bonus has been offered to licensees who pay their full levy before April 1. A tax prepayment certificate plan has been revived, giving ratepayers 2½ per cent interest on payments made on account before the first installment of taxes is due.

Credit Foncier Official

JOHN BARNETT
Who has resigned the chairmanship of the Dominion Farm Loan Board to become Toronto manager of the Credit Foncier Franco Canadien. The appointment is effective immediately.

CENTRAL FINANCE REPORTS UPSWING IN LOAN ACTIVITY

More Applications But Smaller Amounts — Repayments More Rapid

A rise in consumer loan demand in the first 11 months of 1935 is reported by Central Finance Corporation. This company, operating 13 offices in Ontario and dealing in domestic loans between $50 and $500, finds that, in general, more people are borrowing, but in smaller amounts. Loans are being repaid more rapidly than in previous years.

To the end of November, the corporation had made 20,833 loans, 5,527 more than in the same period last year. These totalled $3.7 millions, as compared with $2.9 millions in 1934.

The number of accounts on which payments were overdue declined during the period by 57 per cent and the amount represented by these accounts dropped by 63 per cent. More than 79 per cent of loans were made to meet already existing obligations.

Why Loans Are Made

An analysis of the purposes for which loans were made in the first ten months of 1935 is as follows:

Purpose:	Number of borrowers
To Pay Existing Debts:	
Medical, Dental & Hospital	3,489
Food	232
Clothing	1,246
Rent	829
Fuel	983
Furnishings	847
Repairs	942
Taxes	1,357
Mortgages & interest	1,423
Funeral	127
Insurance	463
Automobiles, etc.	800
Miscellaneous	1,965
	14,703
Other Purposes:	
Business	1,220
Travel & vacation	1,184
Education	139
Moving	445
Assist relatives	601
Miscellaneous	270
	3,859

Admiral Beatty Hotel Covers Interest on Bonds

From Our Own Correspondent

MONTREAL. — Business of the Admiral Beatty Hotel, Saint John, showed an increase in 1935, with the result that the company will have sufficient revenue to pay bond interest in full, together with a surplus available for bond redemption.

Originally the company issued $600,000 of seven per cent first mortgage bonds, due 1944. The early part of 1934 the bondholders' committee made an arrangement whereby the maximum rate of interest of three per cent was to be paid on the bonds. All surplus earning are applied to a sinking fund and when the present $600,000 bond issue is reduced to $300,000, interest will become payable out of earnings at the rate of six per cent, with all surplus income to be used to retire the balance of the issue.

Havana Electric Railway Defaults on Sinking Fund

From Our Own Correspondent

MONTREAL. — Havana Electric Railway Co., whose securities are listed on the Montreal Stock Exchange, has advised the exchange that it is not in a position at present to pay the sinking fund installment due January 1, 1936, on the consolidated mortgage five per cent bonds due 1952, issued under date of May 10, 1902. Nor is the company in a position to make a payment on account of the balance remaining unpaid of the installment due January 1, 1935.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Int. P. & P. Nfld.	4½%	1948	Jan. 15	100
Matapedia Val. L. & Pr.	6½%	1944	Feb. 3	102½
Ham. By-Prod.	7%	1943	Feb. 1	102
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Eaton Realty	5%	1949	Feb. 1	100
Twin City	§6%	1937	Jan. 15	...
Lincoln Pulp	7½%	1942	Feb. 1	103
Georgetown C. Pap.	6½%	1947	Feb. 1	102
Gartshore-Thom. Pipe	6½%	....	Feb. 1	102½
United Amuse.	6%	1942	Mar. 1	103

§Secured dividend notes and fractional scrip certificates.

Stock Issues:	Rate	Stock	Date	Price
Can. Dredge & D.	7%	Pref.	Jan. 31	107½
Whittall Can.	6½%	Pref.	Jan. 20	11C

For the Bondholder

Government List

In View of Hazards of Government Finance, Corporate Securities Now Have Many Attractions for Investor

A reader of The Financial Post who already holds $10,000 of preferred and common stocks is confronted with a conundrum in connection with his investment of $17,000 in government bonds.

The investor hesitates to put his money elsewhere because his policy of holding government securities has been eminently successful for a number of years.

He submits this list:

List of Governmental Bonds

Amount	Debtor	Issue		Approx. Value
$1,000	Dominion	5%	'41	$1,100
$1,000	C.N.R. (gtd.)	5%	'54	1,130
$5,000	Ontario	6%	'43	5,700
$2,000	Ontario	5½%	'46	2,200
$2,000	New Bruns.	5%	'63	2,200
$1,000	Manitoba	5½%	'55	1,050
$1,000	Saskatchewan	6%	'40	1,050
$1,000	Alberta	6%	'41	950
$1,000	Alberta	5%	'40	900
$1,000	Montreal	6%	'41	1,080
$1,000	Sault S. Marie	5½%	'53	980
$17,000	Totals			18,340

The problem is a common one to a legion of investors at present. The answer, unfortunately, does not appear in the back of any book.

Character of List

Despite the fact that the bonds have been held for some years without any important change, they are worth about nine per cent more than the face value. Not many investors have done better by holding corporation securities.

In this list, the Dominion and C. N. R. bonds are first quality securities, although the C. N. R. issue is of longer term than is generally recommended at present.

Ontario's finances have been rapidly getting no better, so that the high price on these bonds is tempting to any investor.

New Brunswick has retained the willingness to pay, but its finances are not entirely satisfactory.

Manitoba and Saskatchewan have had grave financial difficulties, but have retained their desire to deal fairly with their creditors. Manitoba is in fairly good financial condition.

Alberta and Cities

Alberta bonds are subject to the hazard, whatever it may be, of Social Credit. Meanwhile, however, the province's finances may be improved. The possibility that Alberta bonds will eventually be refunded at reduced rates of interest, but under guarantee, may indicate that some eventual appreciation in value may take place.

Neither the Montreal nor the Sault Ste. Marie bonds are the best of all municipal securities.

Partial Liquidation

If a portion, say $10,000 of the list were to be liquidated, one good principle to keep in mind is that it is usually wise to sell the less highly regarded securities. It is not easy to decide which issues to sell, even on this basis. However, a satisfactory yield and liquidity would be retained by holding the Dominion, C. N. R. and New Brunswick issues, the Ontario 5½ per cent bonds and the Manitoba bond. Sale of the remainder of the bonds would produce a profit and would eliminate the less highly esteemed issues.

The investor is well advised to retain some government bonds, preferably short-dated, so that in case of need he has some liquid capital. For the next five years, however, graver dangers appear to be hanging over Canadian Government finances than over corporation affairs. On this ground alone, there may be some justification for switching some government bonds into corporation securities.

Investment Policy

In view of wide agreement that a broad business recovery is developing for North America, it would not seem unreasonable for this investor to consider some additions to his list of stocks. Preferred shares may not be entirely satisfactory. First, the good preferred shares are liable to be redeemed, and the poor ones lack the security of bonds and the possible improvement in position of common stocks.

Additions to a common stock list can be made with some confidence under present conditions. The investor need not buy highly speculative stocks to try to get appreciation. He can stick to reliable common shares, which return a fairly substantial yield; among which might be included such stocks as Laura Secord, B. A. Oil, Imperial Oil, Loblaw Groceterias, Montreal Power, and so on.

Another Solution

One way of getting around this investor's problem, and killing two birds with one stone, would be to do as suggested in this column last week: Buy C. P. R. convertible four per cent debentures. For the next five years the holder would have the option of converting into common shares, four shares for each $100 of debentures. Moreover, the debentures cannot be called until maturity in 1949. Hence, there is a secured four per cent, behind which lies the option to convert into common shares.

As long as there is the prospect of disturbance in government finance, but of improvement in corporation affairs, it does not appear unreasonable to reduce the Government bond holdings to $7,000. By adding stable corporation securities to the portfolio, the total investment could be divided equally between government bonds, corporation bonds, and preferred and common shares. For the moment, the return would not be increased, but the prospects for improvement could be strengthened.

MATTHEW MOODY FINAL PAYMENT 2 CTS. ON DOLLAR

Will Bring Total to 7 Cents — Bankruptcy Dates from 1930

From Our Own Correspondent

MONTREAL. — Final notice has been sent out to the holders of the 6½ per cent first mortgage bonds of Matthew Moody and Sons Co., which went into bankruptcy about the middle of 1930. There are outstanding about $240,000 of the bonds, but the location of the amount of about $25,000 is unknown. In the event that representation is not made by the holders of the unreported bonds, it is the intention of the trustee to distribute the final dividend of approximately 2 cents on the dollar, making in all seven cents on the dollar.

Matthew Moody and Sons was established in the early part of last century to carry on the manufacture of agricultural implements with operations centred at Terrebonne, P.Q. Until 1927 it was controlled and operated by the Moody family. In that year a change in control took place and public financing was carried out through the Federal Bond and Share Corp.

About the middle of 1930 the bondholders formed a protective committee to look after their interests. It was decided to sell the assets of the company which were pledged under the trust deed securing the bonds. The company was placed into bankruptcy and steps taken to dispose of the assets. In August, 1933, a dividend of 5 per cent was paid to the bondholders out of the money received from the liquidation. The proposed payment of 2 cents on the dollar represents the final winding up of the company.

Montreal Stock Trading Declines Sharply in 1935

From Our Own Correspondent

MONTREAL. — Transactions on the Montreal Stock Exchange and Montreal Curb Market totalled 23,442,897 shares during 1935. This is in contrast to 28,882,906 shares in 1934, a decrease of 5,439,009 shares.

Industrial turnover on the Montreal market totalled 6,383,010 shares in the past year as against 7,261,244 shares in 1934. Turnover of mining stocks amounted to 17,059,337 shares last year, as against 21,621,662 shares in the previous twelve months.

INTERNAT. PAINTS RESUMES DIVIDEND ON SENIOR STOCK

Preferred Back on Cash Basis—In Arrears Since July 1931

From Our Own Correspondent

MONTREAL.—Directors of International Paints (Canada) have declared a dividend of 3¾ per cent on the 7½ per cent cumulative participating preferred shares for the half year ended December 31, 1931.

Dividends on this issue were paid from January 1929 to July 1931, when payments were discontinued until the present declaration. Dividends on the common were last paid in December 1930. Arrears on the preferred now total four years' payments.

Back Into the "Black"

International Paints has been steadily improving its position. Net profit in the 1935 fiscal year amounted to $33,595. This is in contrast with a profit of $22,822 in 1934 and a loss of $29,335 in 1933. Earnings for 1935 were equivalent to $1.05 a share on the preferred.

The improvement in the company's position is further reflected in working capital and interest charges. At the end of the last fiscal year, September 30, net working capital at $438,574 was over $53,000 more than reported in 1934.

The reduction in the rate of interest on the first mortgage bonds, held by the parent company—International Paints and Composition Co. of London, Eng.— from 7 to 5½ per cent was made during the year. This transaction involves an annual saving to the company of $2,190.

Canadian Cellulose Co. Writes Down Capital

From Our Own Correspondent

MONTREAL. — Canadian Cellulose Co., a subsidiary of Howard Smith Paper Mills, has applied for supplementary letters patent decreasing the capital stock from 10,000 cumulative preference shares of the par value of $100 each and 10,000 no par value common shares, to 100 shares no par value.

The decrease will be effected by the cancellation of the preference shares and of 9,900 issued and unissued common shares.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Trustees, Parish of St. Eusebe de Verceil	Dec.	Banque Can. Nationale, Ernest Savard, Credit Anglo-Francais	4%	1-15 yr.	$225,000	98.03	......
Oeuvres et Fabrique de St. Eusebe de Verceil	Dec.	Credit Anglo-Francais, Ernest Savard	4½%	1-15 yr.	108,000	99.06	......
Kamloops, B.C.	Jan.	Wood, Gundy & Co.	4%	20-yr.	26,300	....	......
North Bay, Ont.	Jan.	Institutional holders of North Bay bonds	5%	.....	50,000	....	......

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by Rate	Rate	Due	Amount	Price	Yield
Hiram Walker-Gooderham & Worts and Hiram Walker & Sons Distillers, Inc.	... Jan.	Hornblower & Weeks, Mara & McCarthy and Syndicate	4½%	1945	$8,000,000	100%	......
United Amusement Corp.	... Jan.	W. C. Pitfield & Co., Wood Gundy & Co., Greenshields & Co., Société de Placements	5%	1956	1,250,000	101¼	4.90%

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ASBESTOS CORP. MEETS INTEREST BY PAYING CASH

Default Avoided on General Mortgage Bonds Under Trust Deed

From Our Own Correspondent

MONTREAL.—Asbestos Corp. has issued cheques covering half yearly interest of three per cent to holders of the six per cent general mortgage cumulative income bonds of the corporation. This disbursement covers the period ending January 1, 1936.

Back interest on the general mortgage bonds has accumulated from January 1, 1934, and arrears after the current and initial cash interest payment, remain at nine per cent.

Cash Payment Necessary

Under the terms of the capital reorganization carried out late in 1932, it was provided that whether or not net income available was sufficient to pay interest in cash, payment might be made to and including January 1, 1934, in stock at the rate of five common shares per annum for each $1,000 bond. The company took advantage of this provision, but payment after January 1, 1934, could be made only in cash, but nonpayment does not constitute a default unless payments in arrears aggregated 12 per cent. In that case default may be waived by a vote of 60 per cent in principal amount of bonds.

Operations Holding Up

Operations of Asbestos Corp. and other companies in the Thetford Mines area are holding up well. Shipments from that area during October and November were 23,827 tons as compared with 22,893 tons for the same period of 1934. Since that time shipments have kept up and the outlook is regarded as satisfactory for maintenance of sales.

Ottawa Obtains New York Loan Of $48 Millions

The first major refunding operation of the Dominion government in 1936 is to be a $48 million 25-year issue in the United States. Notice of the loan has been registered with the Securities and Exchange Commission at Washington.

Proceeds of the issue will be used to meet obligations maturing in the United States on Jan. 30 and Feb. 1. The new bonds will bear interest at 3¼ per cent and mature Jan. 15, 1961.

Maturities to be taken care of by the proceeds of the issue are as follows: $40 million Dominion 4½ per cent bonds, maturing Feb. 1; $2,737,986 two per cent treasury bills maturing Jan. 31; and $5,418,000 C. N. R. guaranteed two per cent bonds maturing Jan. 30.

The loan has been underwritten by a group headed by the First Boston Corp. of New York.

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THE FUTURE OF CANADIAN CAPITALISM

Sir Arthur Salter in his book, "Recovery," says:

"If all the Allies had been approached to do in 1920 what they were compelled to do at Lausanne in 1932 — that is, surrender Reparations—the inflation of Germany would not have occurred; Hitler would not now be there; and the history of Europe and America would be entirely different."

Why did not the Allies do in 1920 what they did twelve years later? Because the public would not let them.

The public would not let them because they were misled by Allied politicians and financiers into believing that they could make Germany pay the War losses.

These politicians and financiers said to Germany: "You shall pay and pay in money, not in goods."

Unless they were very stupid they must have known that Germany did not have enough gold to pay one per cent of the bill they were presenting.

So the public in England and Germany and elsewhere were fooled, and civilization is now paying a price which a few frank statements to the public, showing how impossible it was to make money payments, would have saved a suffering world.

This is now true with respect to Canadian debts.

Europe issued billions of bonds to create and run navies and armies; Canadians issued billions of bonds to cover railway losses and the deficits of nine legislatures and one parliament.

Is there any difference in the value behind either bond? The losses in all cases are irretrievable, the debts are uncollectable. To try and enforce collection is as suicidal as trying to make Germany pay War losses.

Premier Hepburn, returning from the Premiers' Conference said:

"Conversion of Canada's funded debt is necessary to prevent the financial collapse which will shatter Canada's credit structure.

"It is better to attack this question courageously now than to stand by and watch government bonds pyramid until certain collapse threatens.

"The huge crushing interest burden," said the Premier, "was more of a threat to Canada's credit than was conversion.

"Canada's taxation was defeating itself and the only way to save Canadian credit and business was to consolidate and cut all public borrowings and the saving would drop the cost of production and open up markets."

Any university student faced with the facts and figures of 1920 could see that money for the cost of the War had been lost, and trying to capitalize and collect that money from Germany would wreck European capitalism.

Any ordinary man or high school student, viewing the past twenty years of Canadian extravagances and losses, could realize that a major part of that money has been lost.

Should Canadian statesmen and financiers stop capitalizing those losses and help the public to realize the true position; or should they go on with their "Canada-must-pay" humbug, just as Lloyd George did with his "hang-the-Kaiser, make-Germany-pay-for-the-war" humbug, and by so doing throw this Dominion into bankruptcy?

Canada has area and virility and technology enough to take losses and recover—if those losses are accepted and adjusted.

Any other course, like in the case of European inflation, means the probable writing out of Canadian Capitalism.

(Editorial Reprint from the Vancouver Sun, Dec. 17th)

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TORONTO, JANUARY 11, 1936

Holding Inflation at Bay

WITH the business trend definitely up, printing-press inflation is not in the cards for 1936, either in the United States or Canada. Col. Leonard P. Ayres, of Cleveland, is, however, authority for the statement that if United States government expenditures continue to exceed income for four years, real inflation would come.

Two follies mark the current discussion of inflation, Mr. Ayres says: one that it is coming soon and the other that perhaps we can escape it. And the Cleveland Trust economist adds:

> "Inflation is a slow disease that incubates for a long time before it becomes virulent. It exists whenever a nation persists in consuming its own credit in order to keep going, but it may continue for years before its presence becomes obvious."

Discussions of inflation confuse the average business man, because he does not find any two economists agreed as to what inflation is.

The 1926-1929 spree was inflation of one kind—business and stock market inflation.

The German mark inflation was an entirely different thing — currency or printing press inflation.

Creation of excess bank reserves, to reduce borrowing rates and force credit into use, such as is now being witnessed, lays a foundation for credit inflation, known by some as "reflation."

All of these forms of inflation have one thing in common—they represent a more rapid increase in promises to pay—in paper "wealth" so to speak—than in the wherewithal to pay, whether in asset wealth or national income.

Collapse or deflation is avoided only when assets and income grow up to the paper promises.

Through governmental deficits both the United States and Canada have been inflating their public debts largely during the depression. In 1932 it looked in both countries as though the inflation might take the form of printing money to pay bills and become so swift as to threaten collapse. Governmental costs—due chiefly to relief—were rising while the income out of which the costs must be met was falling. The United States dollar devaluation, returning confidence and the business upturn saved both countries.

But we are still "burning the beams to keep the ship afloat," as governmental deficits mount up and are financed by paper. Favorable business tides are keeping the ship off the rocks while the rescue crew of business recovery hastens.

Governmental expenditures are tending to decline while national income is rising. Every man taken off the relief roll reduces governmental outlay and becomes once more a contributor to governmental income.

If recovery comes fast enough, the panic type of printing press inflation and collapse may be avoided both in the United States and Canada. But we are not out of danger. As P. H. Whaley says in his article in this issue, the question is what is the final absorption point in a nation's ability to meet governmental deficits.

Because of continuing budget deficits, Canada is still vulnerable to the possibility of financial crisis. So long as recovery marches we can avoid trouble; but if recovery halts then we are in danger. Thus we can insure against panic or inflation only by much more drastic measures of economy than have yet been tried. Our politicians are gambling on recovery making good their extravagances. The odds may favor success—at least success to the degree of averting collapse—but it is still a gamble.

A competent Canadian economist urges business men to watch two barometers in the battle against financial crisis leading to currency inflation—the bond market and the Canadian dollar. If either or both show signs of weakness it will be an indication of possible trouble that may come swiftly when it comes.

Unfair Competition

WHEN a publicly-owned utility and a privately-owned utility are in competition with each other, anomalies will arise. The conditions of competition can not be equitable. The publicly-owned utility, having the backing of public credit, can usually borrow money at lower rates. In most cases it will be tax-free or nearly so. The privately-owned utility will usually have no advantages except those of its own creation, such as more efficient management and a keener spirit of service.

In Winnipeg, there are a publicly-owned utility and a private company, both supplying light and power. Recently it came out that some of the men in the city's hydro system received higher wages than the men doing similar work for the private company. The latter's employees protested. A board of arbitration turned down their application. Reference was made by the board to the lower interest charges paid by the city hydro and to the claim of the private company that political influence had a good deal to do with fixing wages of the public body.

It is absurd for any community to have competitive services in a natural monopoly such as light and power. Unfair conditions of competition are bound to be created. This unfairness is certain to be accentuated when one of the utilities is privately owned and the other publicly owned. Politics will usually fix the rates for service at too low a level. Investors in the private company will never get a fair break.

Winnipeg's dilemma must ultimately be solved by the merger of the two systems. It would be better to have the merger effected under private ownership with suitable governmental regulation of rates and conditions of service. But in Winnipeg the effort seems to be in the other direction: to create conditions under which the private company can not carry on so that its plant can be bought in at a bargain price and merged with the publicly-owned system. In this manner, public ownership is used to destroy the capital of investors.

Beatty on Freight Rates

WHEN Sir Edward Beatty, in Hamilton this week, showed how low railway freight rates are in Canada in comparison with those of other nations he did not follow up his figures with a demand for higher rates. In fact, he indicated that the trend to lower rates was still continuing.

No doubt what Sir Edward wished to do was to reply to those critics of the railways who urge that the answer to declining revenues and to highway competition is to cut freight rates so low that traffic will be stimulated, and prosperity assured for the railways.

Canadians get low freight rates but they pay part of the price in C. N. R. deficits and in the cessation of dividends on the C. P. R. Yet low as present rates are there are many groups who feel they should be lower. Such groups will not be satisfied with the statement that the average rate per ton mile is lower in Canada than elsewhere. For one reason, the long hauls in Canada make low ton-mile rates possible. For another, most shippers, whether farmers or industrialists, are interested in the rates on their particular commodities and not in average rates.

The new Minister of Transportation is said to have in mind a study of the freight rate structure in Canada. This would seem to suggest that he considers certain rates to be inequitable; and some of them at least to be too high for the good of the railways themselves.

If we are in for a free-for-all on freight rates, Sir Edward Beatty is very astute in getting his word in first. And he has made it clear that the railways have voluntarily reduced rates during the depression.

The Burden of Taxation

THE Bank of Nova Scotia feels that Canada's national income would have to increase by $1.8 billions, or 46 per cent, to balance governmental budgets without a higher scale of taxation than prevailed between 1921 and 1930. Taxation in that decade took 15 per cent of the national income. But any early increase of $1.8 billions in the national income is unlikely. We cannot count on the weight of the tax burden being lightened much in this manner. Chief reliance must be on measures of economy in public spending.

The Bank's figures show that in 1933 taxes took 21.2 per cent of the national income; in 1934 18.6 per cent. But this is only the proportion raised by taxation. Few governments balanced their budgets in 1934; most of them borrowed to meet deficits. Thus governments spent a much higher proportion of the national income than the figures show. A rough estimate gives the proportion as close to 40 per cent at the bottom of the depression and it is probably not less than one-third today.

The statement of the bank's economist that "the heavier burden of taxation in recent years is largely the result of the shrinkage of the national income" is a part truth only. The burden has been increased as well by the extension of governmental activity into new fields.

The decline in national income is merely the sum of the decline in personal incomes. People have had to tighten their belts because they have had less money to spend. They have also had to tighten them a few extra notches because the politicians have not reduced their total spending.

Where the individual taxpayer was once privileged to retain and spend (or save) between 80 and 90 per cent of his income, he now has to maintain himself on not more than two-thirds of a much reduced income.

Subsidized Publications

THE FINANCIAL POST has discussed the manner in which certain institutions attempt to influence public opinion by subsidizing periodicals to carry what purport to be news or editorial opinions of the publication itself but which are really advertisements for the people who are putting up the money.

Another very unethical and dangerous type of propaganda is the direct cash subsidy of publications which could not exist commercially if they did not have the backing of someone ready to use them as tools in propaganda. It is not very often that such publications have a long life or a useful one but during the period when they are published, they do a great deal of harm.

Such financial sponsorship of publications by industrial or financial corporations takes many forms and is given for many different purposes. For example, one publication widely circulated in Ontario is understood to have very substantial backing from a company that sells beer throughout a large part of the province.

The Liquor Board recently suspended the licenses of a number of hotels which were believed to have too close a tie-up with brewers. Subsidizing a publication for any purpose whatever is an even more serious offense and one that the Liquor Board should not hesitate to deal with drastically. Any brewing company that attempts to influence public opinion in this way is liable to suffer a boomerang effect. When the facts are made public the company is certain to suffer in goodwill and prestige. Directors are not fair to shareholders when they embark on any such oblique method of selling the public on their wares.

It may be argued, as The Financial Post has argued, that the ban on liquor advertising in the Province of Ontario is unjustified. If the companies believe this they should take every legitimate means at their disposal to prepare public opinion for a change of policy. In the meantime they should submit to the regulations in good grace and without attempts at any underground evasion.

Housing and Taxes

CANADA needs more houses and better houses. There is general agreement on that point. There is also general agreement that the fact that houses are not being built is the main factor in the stagnation, not only of the construction industry, but of many related lines. A revival of housing construction is looked forward to both as a means of checking business depression and as an indication that business has improved.

One thing obviously stands in the way of building, and that is the weight of taxation on real estate, not only taxation already imposed, but taxation that is threatened when municipalities face the task of balancing budgets that have been unbalanced by the extravagant spending of the past and also by the weight of relief expenditures. People hesitate to put money into houses, because of the additional tax payments they may thereby incur. They also find it difficult to build because they have seen capital values melt away under the weight of taxes. For taxes do more than impound a portion of the wealth on which they are imposed; they also tend to destroy that upon which they feed.

Authorities should realize that it is possible for taxes to become so onerous as to defeat their end of providing public revenue. That can be true of taxation as a whole as well as of any individual type of tax.

Cicero on Our Debts

CICERO never heard of Canada, but Cicero said many things that are pertinent to some of our national problems today.

Nearly 2,000 years ago in his "De Officiis," the great consul suggested the desirability of public and private borrowers refraining from running excessively into debt:

> "Care ought therefore to be taken beforehand, which it is easy to do by a great many ways, to keep people from running so much into debt, as may bring any damage or inconvenience to the public; and not, when they are in, to oblige the creditors to lose what is their own, and let the debtors gain what in justice is another's.
>
> "Nothing so cements and holds together in union all the parts of a society as faith or credit; which can never be kept up unless men are under some force and necessity of honestly paying what they owe to one another."

This is fair comment on the present tendency to solve the problem of debt by repudiation.

Sayings of the Week

"America is out of the depression right now."—*Jesse Jones, chairman of the R. F. C.*

* * *

"Oh you old ruffian, I cannot help liking you."—*Lady Nancy Astor, M.P., to Lloyd George.*

* * *

"Class consciousness is worse than ever when it is class subconsciousness."—*G. K. Chesterton.*

* * *

"We need a large dose of old-fashioned common modesty." — *Mayor F. H. LaGuardia, of New York.*

* * *

"Time spent in labor is rarely lost; on the contrary, work often makes us happy."—*Andre Maurois.*

* * *

"There is scarcely a moral policy which is more urgently needed today than toleration."—*Beni Prasad.*

* * *

"There is no doubt that we are going to cross the ocean regularly by aeroplanes in the very near future."—*Igor I. Sikorsky.*

* * *

"I believe that this (Townsend) plan is a cruel hoax upon the aged people of the country."—*Col. Frank Knox, U. S. publisher.*

* * *

"An invaluable rule for me has always been; when two courses are open, choose the more venturesome."—*Sir Wilfred Grenfell.*

* * *

"I despise the snobbish drones who base their claims to intellectual superiority upon the mere fact that they went to college."—*Harold Bell Wright.*

* * *

"Whenever a successful man develops a case of swelled head, you can take it as a sign that his success is probably an accident."—*Bruce Barton.*

* * *

"War has a beauty of its own, because it genially remoulds terrestrial scenery with its inspired artillery."—*F. T. Marinetti, Italian futurist and fascist.*

* * *

"I tried to look beyond the range of our immediate political difficulties and to consider how we could remove the causes of bitterness and strife."—*Sir Samuel Hoare, former British foreign secretary.*

* * *

"The only way to make the world really better is by improving the men and women in it."—*Edward D. Duffield, president of the Prudential Insurance Co. of America.*

Chipman's German Articles

Jewish Youth Barred

Editor, The Financial Post:

Having followed with a great deal of interest the first two articles written by your correspondent, M. R. Chipman, it strikes me as most peculiar that he should have taken the trouble to have painted such glowing pictures of life among the youth and workers of Germany, the former, being reared without class hatreds and distinctions, and the latter as being most highly pleased with the new developments.

In the first place, Jewish youth is not admitted into these various cultural groups, in fact, cannot join any German group whatsoever, and secondly, the lot of the German worker is a most deplorable one, judging from recent accounts and statistics, that the capitalistic class of employers have everything on their side, the workers being at their mercy, yet your correspondent would lead us to believe that everything is running just as smoothly as ever.

For a man of Mr. Chipman's standing, who has spent several weeks in Germany, it is incomprehensible why no mention whatever was made of the Jewish question, which is, as he is well aware, a major issue, and he dismisses it without even mentioning anything of their standing or plight.

These two first articles strike me as nothing but sheer Nazi propaganda, and it is a pity that The Financial Post should have lent its columns to this effort.

AN OLD SUBSCRIBER.

Montreal.

Hesse, Ad's and Propaganda

Editor, The Financial Post:

That Mr. Murray R. Chipman should have accepted the notorious Rudolf Hess, as the star witness to prove the marvellous security of the Nazi régime in Germany, is very symptomatic, and it undermines the veracity of his messages published in the columns of The Financial Post.

It is also very suspicious that costly advertisements have been inserted in the leading daily newspapers which have called the special attention of the readers to the articles of Mr. Chipman.

Heinrich Mann, the great German writer, appraises the question just a little differently:

> "Even outside the concentration camps there is accumulating throughout the country an unimaginable mass of injustice and barbarity, the product of loathsome instincts let loose. A whole nation is being terrorized, is being demoralized and exhausted by terrorism. The nation is allowing the worst to be inflicted on it without an attempt at self-defense. It dares nothing, but bows to the storm."

Now, who is in a better position to appraise the present temper of the German people? Mr. Chipman, after a few weeks of observations under the auspices of Rudolf Hess, or the great German writer, Heinrich Mann, who was born, educated and attained his world fame in Germany?

As to the alternative to Hitlerism, suggested by Mr. Chipman, it really is a misrepresentation of the entire issue to state:

> "At present the German people see clearly that the alternative to Hitlerism or National Socialism is party strife and communistic chaos again."

One only needs to analyze the relative strength of the leading parties to realize that "party strife and communist chaos" were not the conditions preceding the Hitler venture.

I am rather inclined to believe that Mr. Chipman's propagandistic contribution under the guise of a statement of facts is similar to the contributions that a number of "returned visitors" have voiced in order to gladden the hearts of eager Nazi sympathizers.

H. M. CAISERMAN.

Montreal.

Editor's Note — No Nazi propagandist, Mr. Chipman writes what he saw and learned. He made no attempt to study every phase of present-day life in Germany. As with every signed article in The Financial Post any views he expresses are his own.

The "costly" advertisements mentioned by Mr. Caiserman are the regular ones run by The Financial Post every week, no larger, no more costly.

In the Mail

No Tariff Walls

Editor, The Financial Post,—

I must admit to a certain amount of surprise at seeing the following inquiry by the chief executive in a Minneapolis grain firm at the foot of his letter addressed to the editor of The Financial Post:

"Just think, if there were no artificial hindrances on trade, what it would do to business both in Canada and this country to so tremendously enlarge the markets of both."

I notice, however, that there is no note of interrogation placed behind that thought-provoking sentence. Maybe he meant industrial Canadians not to take the suggestion too seriously.

Canada's wheat farmers would, to the last man, be willing, but again, "just think" what the southbound grain would do to Uncle Sam's wheat farmers, and to the mental poise of wheat traders at Liverpool?

WALTER P. DAVISSON.

Toronto.

Need For Economy

Editor, The Financial Post,—

As a reader of your interesting paper for many years, I have been specially interested in your column "The Nation's Business." If our governments would only take a cue from your timely suggestions, we might expect to get somewhere, as our country can never prosper until our major troubles are put on a sound basis; namely, railways, pulp and paper, wheat, nation's debts, etc.

Over-government and taxation have brought Canada to the brink of disaster. Public service salaries keep going up, while the income of the masses keeps going down.

Money invested should be paid wages, the same as labor is. Industrial leaders will tell you, if the governments would only reduce taxation, and stop interfering, many deferred and fairer dividends could be paid, that are now taken from the investor in underground taxation.

No country can prosper unless it balances budgets, builds up purchasing power, and stimulates confidence among investors.

STOCKHOLDER.

St. Thomas.

As Others See Us

Traffic Makes Traffic

Stratford Beacon-Herald

The Duff scheme for co-operation between Canadian railways is dead, and The Financial Post, in a cartoon depicts it in process of burial, with Fullerton and Beatty as chief mourners. Amalgamation and joint operation are also deceased. The King Government's programme says The Post, involves three major points, namely:

(1) Creating more traffic.

(2) Operating the Canadian National economically

(3) Meeting competition by modernized practice and lower rates.

The first, "Creating more traffic," and the third, "Meeting competition by modernized practice and lower rates," mean one and the same thing. The only new idea is that of lowering rates, and even that is not very new. Rates have been modified already to some extent, but more drastic reductions will have to be made. The railways of Great Britain and the United States have cut down the cost of railway travelling and found it profitable. The railways have it in their own power to solve the problem of commercial traffic on our highways. That traffic has thrived on the high charges for railway services. Most people would prefer to travel by train than by bus, with its obvious inconveniences.

When the cost of travel by rail is brought within the means of the average citizen more people will go a-journeying. This is shown by the popularity of the cheap week-end excursions. Cheap passenger and freight rates—particularly for household furniture—would start the wheels turning and keep them turning. Traffic makes traffic, and travelling is good for trade.

Other People's Views

The Wheat Board

Regina Leader Post

Mr. McFarland, late chairman of the Wheat Board, has issued a statement to the effect that the new Wheat Board has a "picnic" on its hands with respect to the selling of wheat compared with the task that faced Mr. McFarland.

Mr. McFarland is not retiring gracefully. If he can damage the new board in the eyes of the public he appears happy to do it.

Prejudice and bias may affect Mr. McFarland in his attitude toward the new Wheat Board. The Leader-Post is willing to make a guess that the future will show that the new Board, which operates under the Dominion Cabinet is not dominated by the Winnipeg grain exchange but is acting with its best knowledge and ability to serve the interests of the wheat producer.

Canada As Wheat Exporter

Calgary Herald

During the depression wheat importing nations have for one reason or another lost touch with the Canadian export market. Government restrictions on imports and subsidy encouragement to home growers of wheat have been largely responsible for this state of affairs. If and when a change comes in the European economic scene Canada will again have to sell herself as a wheat exporter to importing nations. It is something that can be done, but it will take some effort.

West and Its Autos

Calgary Herald

It may be true that automobile manufacturing is an exotic industry in Canada, that is one that must be supported by artificial means such as high tariff protection, to compete with competition from across the border. It may be true, also, that it would be cheaper for the purchasers of cars to purchase their machines in the United States or elsewhere. It may be a fact that the federal treasury would be enriched in that process. But it is a serious matter indeed to extinguish an industry which, in its peak year, employed nearly 17,000 persons in Canada, and paid salaries and wages approximating $29,250,000.

While Western Canada has constantly fulminated against high duties and the higher cost of Canadian-made cars, and lower prices would be appreciated in this section of Canada, it is a doubtful matter whether the West would gain greatly by the extinction of the Canadian manufacturing industry. Certainly the workers in United States factories would not eat Canadian farm products, and the heavy drain of money from this country to the United States would add to the Canadian trade deficit with that country.

Then there is the fact that Canada is developing a promising export business in automobiles, particularly within the British Empire.

Stop Me If You've Heard This One

"Did you notice any suspicious characters in the neighborhood?" the magistrate enquired.

"Sure," replied the new Irish policeman. "I saw but one man, and I asked him what he was doing there at that time o' night. Sez he—'I have no business here just now, but I expect to open a bank in the vicinity later on'."

"Yes," replied the magistrate, "and he did open a bank in the vicinity later on and stole £2,000."

"Begorra," answered the policeman, "the man may have been a thafe but he was no liar."

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Week in Business

Bankers Don't Agree

* * * *

Business Makes Few Loans

* * * *

Canada's Place in Building Recovery

Year-end reviews and statements of business leaders have left a general feeling of at least top-layer optimism as to the business situation and outlook generally. That there is justification for most of this is indicated by the way most industrial indices show gains from 5 to 25 per cent over the corresponding period of last year, and for the fact that net earnings—the stuff from which profits are made—rose even more sharply for most business concerns. Then, too, most industrialists are looking for even greater improvement in 1936.

But ask most bankers what they feel about business and their mouths begin to droop. The reason is not hard to find. Too much money; too many low-yield securities—not enough loans.

* * * *

The Financial Post index of credit conditions, for instance, which has been published regularly each month for many years is still hovering at the 45 mark—the lowest point in perhaps a generation—certainly the lowest point since comparable figures are available. By 45 is meant the ratio of call and current loans in Canada to total demand and savings deposits.

If the index were at 100 it would mean that every dollar of moneys on deposit in the banks was being utilized to meet the needs of business enterprise. When the index is at 50 it means only 50 cents on the dollar is being thus utilized. The average for the 1924-28 period was 60 and the peak in the 1929-30 period, between 75 and 80. Since the middle of 1935 the index has been below the 45 mark though some improvement was seen in November — the last month for which figures are available.

* * * *

The variability of figures and statistics is proverbial. Last week the League of Nations issued a statement to the effect that in the first 10 months of 1935, Canada showed a 91 per cent increase in building activity — the largest percentage gain of any reporting nation. Alongside this should be placed another fact (disclosed this week in the official monthly bulletin of the League) that compared with other world countries, Canada is apparently still at the bottom of the list of world countries in a comparison of present-day building activity with the figures of 1929. Construction is on the upgrade in Canada but we have still to feel the effects of a real upturn toward the figures of other days.

* * * *

The urge of New Year's Resolutions apparently proved too strong for at least one government department last week. For 32 years Canada's Commercial Intelligence Journal has travelled far and wide across the world telling the story of our trade exploits and opportunities. This week it appeared with a new shiny cover—the first change in appearance that has occurred for a generation. The Post Office was apparently so impressed that for the first time in many moons it refused to print the name and address of the recipient on the front cover, but relegated it to the back page.

Business Indicators

Changes of the Week

(Compared with the same period last year)

Favorable:

Railway earnings, carloadings, bond sales and used car financing.

Leather Footwear—November figures show production 11 per cent below October; 30 per cent higher than in November last year. Cumulative production for first 11 months of 1935 up 16 per cent over 1934.

Unfavorable:

Construction contracts awarded (see page 9) and flour production.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1935	1934	—Cumulative Total— Jan. 1 to date 1935	1934
Transportation—				
Car loadings (Dec. 28)	▲30,246	29,334	2,351,393	2,320,050
C.P.R. gross earn. (Dec. 31)	$ ▲3,452,000	$ 3,163,000	$ 129,673,000	$ 126,539,000
C.N.R. gross earn. (Dec. 31)	$ ▲4,222,384	$ 3,824,618	$ 172,768,126	$ 164,344,090
Business Conditions—				
Weekly index D.B.S. (Dec. 28)	▲102	100.6	......	......
	MONTHLY DATA 1935	1934	1935	1934
Business Conditions—				
Financial post index (Nov.)	106.7	98.1	......	......
Transportation—				
C.P.R. net earnings (Nov.)	$ 3,455,408	$ 3,441,828	$ 19,091,510	$ 21,212,614
C.N.R. net revenue (Nov.)	$ 2,335,158	$ 1,700,014	$ 12,130,957	$ 11,651,947
Iron and Steel (Nov.)—				
Pig iron production (tons)	64,562	38,968	529,147	364,631
Steel ingots and castings prod. (tons)	93,300	57,050	836,020	700,187
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Nov.)	5,180	1,155	77,602	59,854
Factory output (Nov.)	12,042	1,052	128,311	90,204
Trucks and Buses:				
Domestic sales* (Nov.)	805	556	16,729	11,322
Factory output (Nov.)	1,454	645	30,848	23,954
Exports (Nov.)	6,820	622	62,281	44,011
Construction—				
Building permits (Nov.)	$ 3,315,001	$ 2,622,534	$ 43,846,688	$ 24,935,704
Contracts awarded (Dec.)	$ ▲4,364,900	$ 6,062,200	$ 160,305,000	$ 125,811,500
Newsprint (tons)—				
Production (Nov.)	262,854	240,869	2,508,557	2,358,097
Exports (Nov.)	244,037	221,553	2,297,244	2,154,471
Sugar (lb.)				
Melting & shipments§	97,102,444	59,114,346	813,173,926	748,456,751
Manufactured§	137,439,534	105,306,254	891,945,739	818,790,114
Flour (bbls.)				
Production (Nov.)	▲1,603,803	1,703,831	13,251,583	13,701,857
Wheat flour exports (Nov.)	525,368	504,384	4,437,229	4,712,981
Trade (November)—				
Retail trade (index no. of sales)	72.2	69.9	......	......
Imports	$ 55,958,033	$ 49,884,153	$ 511,745,369	$ 474 62,249
Exports	$ 84,114,990	$ 65,124,512	$ 660,874,657	$ 592 37,005
Wheat exports (bush.) (Nov.)	26,575,296	18,769,770	148,129,229	150 76,163
Employment, D.B.S. Index (Dec. 1)				
All industries	104.6	98.9	......	......
Manufacturing	101.4	91.3	......	......
Electric Power Output (Nov.)				
Total monthly (000's omitted))	2,143,314	1,953,512	21,247,884	19 06,590
Aver. daily	71,444,000	65,117,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Nov.)	121,444	120,558	2,225,518	1 69,364
Boot & shoe prod., pr. (Nov.)	▲1,706,149	1,316,118	20,146,700	17 21,807
Crude petrol, imp. gal. (Nov.)	137,399,424	124,044,284	1,101,150,914	1,027 44,508
Cotton imports, lb. (Nov.)	13,814,244	18,477,832	98,439,717	124 74,268
Raw rubber imp., lb. (Nov.)	9,832,033	3,511,869	54,443,678	57 20,442
Coal imports, tons (Nov.)	1,360,058	1,666,171	12,208,517	13 29,972
Finance—				
Bank debits (Nov.)†	$ 3,021,500	$ 3,002,200	$ 28,613,000	$ 29 26,494
Bond sales (Dec.)	$ ▲94,929,500	$ 46,777,239	$ 980,137,390	$ 651 63,840
Life insurance sales (Nov.)	$ 35,158,000	$ 35,863,000	$ 332,836,000	$ 342 23,000
Automobile Financing—				
Used cars (Nov.)	$ ▲1,036,453	$ 851,469	$ 16,975,445	$ 13 22,915
New cars (Nov.)	$ ▲1,249,825	$ 636,688	$ 21,132,012	$ 15 08,555

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Nov. 30.

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Background of Business

Chaos in Jam

Injunctions and Conflicting Decisions Upset Market Scheme — Flower Troubles — Cut-Rate Cleaning

Jam marketing in Canada is in a turmoil greater than at any time since the control scheme under the Natural Products Marketing Act was established in April of last year. Together with injunctions, dissolving of injunctions, police court fines, and appeals in which decisions have not yet been rendered, neither the Jam Marketing Board, individual packers nor distributors know exactly where they are.

The latest important episode in the situation was an injunction secured in the courts on December 30, preventing St. Williams Preservers Ltd., Simcoe, Ontario, from marketing any more jam until a future date, and the dissolving of this injunction on Friday, January 3, by another judge.

* * *

Tangled Tale of Jam

St. Williams Preservers Ltd. was selling its products openly below the set prices of the selling agent appointed by the Jam Marketing Board, maintaining it had a legal right to do so. In his decision in dissolving the injunction the judge held that under the Act there was no provision for an injunction procedure—that the penalty should have been either a fine or imprisonment. In other words, the offense, if there was one, was of a criminal and not a civil nature. The judgment therefore did not definitely deal with the jurisdiction of the Natural Products Marketing Act nor the rights of the Local Board to fix minimum prices.

* * *

Another Judgment Pending

These points, however, may or may not be involved in a decision by Judge Munroe of the Halton (Ont.) county court when it is given in connection with an appeal case from a judgment of the Oakville, Ont., magistrate. The latter imposed a fine of $25 against George B. Jacobs, jam packer, accused of marketing jam after his "certificate of authority" had been cancelled by the Local Board. Judge Munroe promised to give his judgment at a fairly early date, but at time of writing, it was not forthcoming.

In view of this case being still before the courts, the Local Jam Board asked for the injunction against St. Williams Preservers instead of a conviction and fine in an endeavor to stop this firm from selling below the market in the meantime. The dissolution of this injunction meant other firms had to sell below the market to maintain their distribution so that open prices are now the order of the day—and some of these prices are exceedingly low.

* * *

Federal Complications

Another phase of the situation is the impending decision of the Supreme Court of Canada on the validity of the Natural Products Marketing Act. This Act will not likely be reviewed before the end of January, and a decision is unlikely for another month or two. In the meantime, there will be more or less chaos in so far as the jam situation is concerned.

What may happen is that the Ontario legislature may proclaim the Federal Act a Provincial Act in Ontario so as to make the scheme legal in that province. It is contended that even if the Supreme Court declares the Federal Act ultra vires, the judgment would not then have any bearing in Ontario. Ontario packers on the other hand say they could open plants in Quebec Province and sell at any prices they cared to in Ontario.

From the above, it is readily seen that the whole situation is quite involved and that what can be done and can't be done will not be known definitely for some weeks to come.

* * *

Flower Growers Upset

Canadian flower-growers are anything but pleased with the Canada-U.S. trade pact. They feel one of the anomalies of the new agreement is that it allows U.S. cut flowers into Canada free of duty but retains the 40 per cent duty on Canadian flowers shipped to the U.S. They are making strong representations at Ottawa and hope to have this rectified.

A few years ago the tariff on cut flowers, was 17½ per cent for each country. Subsequently this was raised to 25 per cent by the U.S. with no corresponding change by Canada. When the United States raised the duty to 40 per cent, representations were made to Ottawa to give equal consideration for the Canadian grower. Accordingly, Ottawa passed legislation to make our tariff rise or fall with that of the United States impost.

Reason for what has happened in the treaty is that cut flowers come in free under the most-favored-nations treaty with France. It is this loop-hole which gives the United States free entry after January 1.

* * *

Cut-rate Cleaning

Toronto has a civic by-law prohibiting cut-rate operations in the cleaning and pressing industry. But one glance at that city's daily newspapers, demonstrates the by-law to be a flop. For a short time the city fathers tried to enforce the law, but they ran into such bitter ups and downs that they abandoned the attempt. The law is still apparently on the statute books, but no attempt is being made to enforce it.

Many dealers have instituted a two-price system, giving their cheaper rates for cash-and-carry work and sometimes for a lower quality type of service. The present price level (59 cents for cleaning and pressing a man's suit) is about as low as at any time in recent years.

* * *

London Plants Busy

A correspondent of the Toronto Globe recently visited various cities in western Ontario. Perhaps he was looking specifically for good news, but at any rate, in London he found Scott and McHale Ltd. highly pleased with business prospects and employing 250 in their London shoe plant, and 150 in a plant taken over recently at Tillsonburg. The same story came from Murray Shoe Co. now employing a staff of 240. According to H. T. Wright, the general manager, "We have never enjoyed as good a business since we have been in our present factory."

W. P. Butler, general manager of the Kellogg's plant, reported the company had never felt the depression, while General Steel Wares with 800 men on the payroll were keeping 100 more men employed than at this time last year. Hugh Lamont, manager, reported most business volume still in the lower-price lines, but added, "We are beginning to see a better demand for higher-price merchandise."

Frank McCormick, president of McCormick's Ltd., formerly Canada Biscuit Co., reported a 10 per cent gain in employment and the purchase of new machinery by his plant. L. W. Turner, manager of Holeproof Hosiery of Canada, is also optimistic, as also is Gordon Ingram of Smallman and Ingram, western Ontario's largest department store.

* * *

Montreal Exposition

Montreal is planning an exposition for 1942, when the city will celebrate its tercentenary, according to Mayor Camillien Houde.

An attempt is also being made to secure the American Legion Convention for 1937.

* * *

Kamloops Busier

Kamloops reports conditions better than at any time since 1930. A 50 per cent increase in raw wool prices during 1935 has aided sheepmen, with stock men anticipating a profit in the coming season, the first in several years. Retailers report the best trade in five years, with sales up 20 per cent.

* * *

Lumber Prospects

Prospects for increased business and prices in the lumber business were forecast recently by T. C. Le Boutillier, retiring president, Montreal Wholesale Lumber Dealers Association. Mr. Le Boutillier stated his forecast was based on the knowledge that every lumber yard of Ontario and Quebec reported increased business in October and November, and that stocks in retail yards were low and would soon need renewal. Since no wholesale firm was carrying heavy stocks and as logging in Quebec and New Brunswick would be far less this winter than in previous years, he believes a shortage in white pine and spruce would result in a consequent advance in prices.

* * *

Canada Gains in Africa

The annual report for 1934-35 of the British Manufacturers' Representatives Association of South Africa says that Canada has gained important benefits from the Ottawa Agreements with the Union.

In silk hosiery she has risen from third to first place, taking the markets from the U. S. and Germany, and she has also gained ground under the headings of lumber, harvest twine, wire netting, etc. The amount of preferential rebates granted on imports from Canada increased from £51,447 in 1933 to £119,244 in the following year.

* * *

Canada Joins Antipodes

Canada is to join South Australia in 1936 in active participation in the six weeks Centennial Exhibition to be held at Adelaide. Dates are March 20—May 16. The Canadian section of the Exhibition will accommodate some thirty Canadian industrial exhibits.

The Exhibition is restricted to Empire countries and only Empire products will be shown. The Canadian section is being arranged under the auspices of the Canadian Exhibition Commission.

* * *

The Used Car Market

One disturbing result of the introduction of 1936 motor car models in November has been a substantial increase in used car inventories and a less than normal ratio to new car sales, according to Wall Street Journal.

Possible dealer losses and weakening of working capital may result, it is said, although it is hoped the problem will be worked out by spring without serious severe repercussions on the new car markets.

At present it is said that larger inventories of used cars range from a moderate increase over a year ago to a level of 50 per cent to 100 per cent above the 1934 year. At some points, used cars in stock are at the highest level for years, and at others at the highest level since the depression. Used car turnover is placed at some points at 34 to 35 days, against a normal of about 30 days, while ratio of used cars to used car sales is reported now well below the average of 1.7—to 1.8 used cars for each new car which has been maintained in recent years.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.50	$7.00	$5.00
Hogs	9.50	9.25	9.10
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1210	.1190	.1275
Rubber, lb.	.1356	.1337	.1352
Sugar, raw, lb.	.0328	.0310	.0285
Silk, lb	2.00	1.93	1.46
Wheat (Man.) bus.	.84⅝	.85¼	.79¾
Coffee, lb.	.06⅝	.06½	.09⅝
Weekly Indices			
N. Y. Annalist	129.4	129.9	120.1
Fishers'	84.0	84.6	78.6
N. Y. Journal of Comm.	81.7	81.3	79.6
Crumps (Brit.)	68.6	68.6	64.3
U. S. Labor	80.4	80.8	76.7
Canada (D.B.S.)	72.6	72.8	71.3

Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Nov.)	80.8	80.4	79.3
W'sale (Nov.)	72.7	73.1	71.1
U. S. Labor (Oct.)	80.7	80.5	76.5
Gt. Brit. (Nov.)	77.2	77.4	70.0

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Furs at Firm Prices Are Attracting Buyers

$2 Millions Worth of Pelts Expected to be Marketed in Alberta This Year — Mink and Weasel in Demand at Edmonton

From Our Own Correspondent

EDMONTON.—Fur trade coming to Edmonton this year promises to equal that of 1935, both in volume and quality, according to dealers.

The first annual sale held here for five years concluded with total sales of $100,000 worth of pelts of various kinds. Buyers were present at the auction sale from Milan, Italy, Vancouver, London, Montreal, Seattle, Toronto, New York and Winnipeg.

Among offerings disposed of was a consignment of $16,000 of weasel pelts. A large shipment of mink was also snapped up by buyers. Prices prevailing at the auction compared favorably with those on the Winnipeg market.

Quality Maintained

The local season, however, has just started as far as ranch furs are concerned and, according to officials of the Hudson's Bay Company's fur department in Edmonton, average quality as well as price of the pelts remains the same as last season.

Mink, it is stated, are slightly higher in price, ranging from $20 upward for good skins. Wild wolf is scarcer for the moment but is expected to pick up later on.

Officials of the Hudson's Bay Company say there is little carryover from last year, although some coyote, white fox and red fox remain on hand.

$2 Millions This Year

The total value of furs bought in Alberta for shipment last year amounted to $2 millions and it is expected that this sum will be equalled this year by the end of the season.

Prices quoted by buyers here are: general average for wolf six to seven dollars; good red fox $8.50; cross fox, according to colors, pale $15 to $18, dark $25 to $45.

Northern weasel average 45 cents and prairie weasel 80 cents.

Ranch silver fox are from 10 to 15 per cent lower this season, the price being from $30 to $40 on an average.

During December, four outside buyers were reported as paying fair prices for pelts, although the majority were shipped through consignment houses. Early reports from the London sale indicate prices ten per cent above those received last year.

Incidentally, mild weather caused some spoiling of color, which reduced value in some instances. Prices on the whole are about the same as last year.

An interesting feature recently was a shipment of silver foxes to the Japanese government's experimental station.

P. E. I. Prices Higher

From Our Own Correspondent

CHARLOTTETOWN. — Mild weather in December delayed fox pelting in P.E.I., but despite this the market has been satisfactory.

Canadian Wolf Furs In Demand by Italy

From Our Own Correspondent

EDMONTON.—Commendation of the quality of furs offered at the fur auction here was expressed by Ricardo Bergmano and Joseph Milstein, of Milan, Italy, who represent one of the largest wholesale fur houses in southern Europe.

The Italians made several large purchases, particularly of wolf pelts.

INVESTMENTS
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An Industrial Colossus Stirs After Five Years

New Engineering Operations Lead Construction Activity

Business and Private Dwellings Take Second and Third Places in Canada's Volume of Building Contracts

Engineering construction is leading the long-awaited and now indicated recovery of the building industry in Canada.

This fact is significant of expansion in government sponsored public works operations and public services, but it has a considerably greater significance. It has been the signal for restoration of confidence in the outlook for the construction industry as a whole.

All types of construction in Canada recorded gains during 1935 over the volume of the previous year, according to latest figures, and while the gain has been pronounced in Ontario and Quebec, it is not by any means confined to the eastern sections of the Dominion. On the contrary, every province in Canada shared in the upward trend.

Further Gains Forecast

Further advance in construction during 1936 is fore-shadowed in the comment of leading experts. With it is expected a rise in building costs.

Business executives with an ear to the ground have been aware of this factor for some time, and as a result, business construction for 1935 was second only to engineering. Many of the building structures were those which had been postponed since the early part of the depression period.

Business buildings, including offices and banks which had been obsolete in 1929 and 1930, were retained for two reasons during the depression.

One, was that the necessity of larger quarters had diminished with the declining volume of business in general, and the other was that executives of large business institutions were not inclined to embark on new construction until they were certain that prices, cost of materials, and other building expenses had reached their lowest point.

Low Point is Passed

Building statistics for 1935 indicate beyond doubt that the low point for the building industry was reached early in 1935, if not earlier, and observers are of the opinion that the upward trend during the last year will be projected throughout 1936 in the form of increased activity and rising costs.

Impetus for the expanded volume of construction this year has nevertheless been given largely by federal public works projects. These include new buildings and new public services in the form of bridges, dams, wharves, and other structures.

Much Needed Stimulus

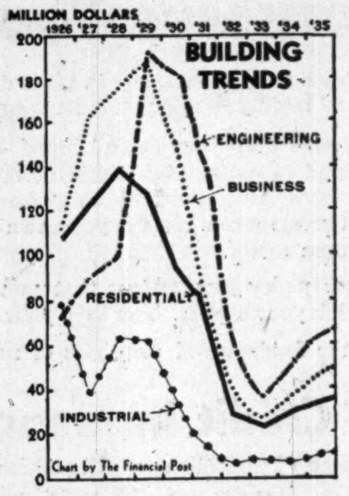
Whatever opinion may exist toward these federal projects in a period immediately preceding an election, they at least have had the effect of stimulating such confidence in construction prospects that private interests followed the leadership of the federal authorities.

To visualize the trend it is necessary to note that building contracts awarded throughout Canada during 1935, as compiled by MacLean Building Reports Ltd., amounted to $160,305,000, or an increase of 27.4 per cent over the 1934 total of $125,811,500.

The increase over the 1933 total of $97,289,800 was no less than 64.7 per cent, a comparison that leaves little doubt regarding the significance of the year 1935 in construction, although it is still far below the 1926 level and has lagged behind other business recovery trends.

Engineering Leads

Of the total for the last year, an amount of $6,162,100 is designated under the heading of engineering construction, comprising 40.7 per cent of the total.



In second place, business building construction amounting to $48,442,200 represented 30.2 per cent of the year's total.

Residential building totalled $36,408,500, or 22.7 per cent of the Dominion total. Industrial building amounted to $10,292,200 or 6.4 per cent.

Behind these figures may be seen the three main trends in construction activity, led by federal initiative in public works, and followed by business building which only now is being released from the pent-up conditions of a major business depression.

Residential construction, to meet a distinct housing shortage in many centres, is reflecting improving income conditions among house owners and home builders in general. Collectively, the three classes of building provide a graphic picture of the building trend of the country during the last year.

Government Leverage

Government spending of millions of dollars upon building in various centres has been criticized as an election bid and as a further aggravation of the tax burden.

But its effect upon employment and upon industries engaged in the production of building materials has been decidedly favorable. The final figures for 1935 construction in Canada leave little doubt that this factor, combined with obsolescence, and a housing shortage in some areas was among the most important influences stimulating the present activity in building.

Even now the industry has a long way to go before reaching its pre-depression level.

Toronto and Montreal

Building contracts awarded in Montreal and Toronto during the last year afford an excellent index, however, of what may be expected with a further upward trend in building in the urban centres.

The figures are also representative of the fact that Quebec province and Ontario led all other areas of Canada in the upward trend of construction during 1935.

In Toronto, the volume of construction awards totalled $22,618,500 compared with $20,106,700 in the previous year, according to MacLean Building Reports Ltd.

$22 Millions in Montreal

The Montreal total for last year was $22,404,000, compared with $16,163,400 in 1934.

Figures by groups of construction for the two cities show Montreal, residential, $6,321,400; business, $4,437,600; industrial, $549,400; engineering, $11,095,600. The Toronto figures are, residential, $11,963,800; business, $5,308,300; industrial, $913,500; engineering, $4,432,900.

Straws in the Wind Point to Recovery

In the same way that straws show the way of the wind, the following is typical of what is taking place all over Canada. It is reported from Winnipeg:

> "Work started this week clearing a large lot on Hertford Blvd., near the intersection of Nanton Blvd., Tuxedo, where a Winnipeg citizen proposes to erect, this winter, a $20,000 home. The contract for the construction has been given to S. Lanktree Thompson.
>
> "This year (1935) three beautiful homes were built in Tuxedo municipality at a cost running from $25,000 to $30,000 each."

Quick Action Sought To Amend Housing Act

Ontario Boards of Trade Consider Move to Release Flow of New Building Operations — Ottawa Believed Planning Needed Changes

Action by the Ontario Associated Boards of Trade to clarify and hasten operation of the Dominion Housing Act in the smaller centres of the province is forecast following a meeting of the executive council of the association in Toronto.

Many weaknesses in the Act in its present form are disclosed by discussions of the members of the executive and builders from Ottawa, Toronto, Hamilton and other centres. Apathy on the part of the lending institutions is also stressed as a retarding factor.

Seek Adjustments

The first move by the associated boards of trade, following the drafting of a resolution, will probably take the form of an appeal to Ottawa to remedy existing evils in the legislation and to expedite its effective operation.

The Act at present calls for advances of money to those seeking to construct houses, on the basis of 20 per cent by the federal government, 60 per cent by insurance or loan companies, and 20 per cent from the home builder himself. Since there is a sales tax payable of 4 per cent on the transaction, the government automatically saves 4 per cent of its share, reducing it thereby to 16 per cent, and it is estimated that within a relatively few years, the government will get its entire investment back.

In contrast, the loan companies, which are called upon to put up 60 per cent of the money, and thereby assume the greater risk, find little that is attractive in the scheme as it applies to the smaller centres.

Costs Too High

The cost of maintaining supervisory offices for loans in these sparsely settled districts, and the element of doubt with regard to security in some cases, have made the lending institutions wary of participation except in large urban centres where their investments can be closely supervised by their own officials.

"Something Wrong"

Speakers at the executive council meeting voiced the view that there is "something wrong" in the Act as it stands at present, but belief was strongly expressed by several members who had been in touch with Ottawa authorities that amendments to the legislation are under consideration and will in all probability be made in the near future.

Representatives of the building industries in Ontario present at the meeting described what they termed a "crying need" for houses in some of the smaller centres. They agreed with members of the executive that the government might well sift the whole situation to the bottom before attempting to stimulate wide public interest in the plan as it stands.

Outcome of the Ottawa discussions which are now understood to be in progress will probably include a minimum standard basis for type of construction, loans, valuations and other details which until now have been too vague or too cumbersome to permit efficient operation of the Act. The change in government was also blamed to some extent for the seeming breakdown of the scheme, but other factors, it was said, include the various forms of moratoria in different provinces, interference with contractual obligations, and what appears to be a half-hearted interest on the part of federal authorities in administering the Act.

Reports that the government had only one man attempting to make valuations across the country are cited as an example of the lethargy with which the Act is at present being administered.

Building Backlog

The resolution as finally drafted will probably stress the fact that there is a tremendous backlog of construction in Canada as the result of depression conditions during the last two or three years. This was estimated by one Hamilton building expert at between $200 millions and $300 millions.

Any acceleration in the pace of building revival would, it is said, go far toward reducing unemployment and lend stimulus to industrial activity in general.

Not Asking Subsidies

Government ventures in the loaning field were criticized as failures in the past. It was not suggested that the government should subsidize the building industry, but on the other hand, speakers felt the least the government could do under the circumstances was to provide funds at cost or less for any particular industry in need of such aid. Subsidies, it was agreed, are unsound.

Lending Institutions

"The natural channels for building funds, which are the lending institutions, have not been allowed to function normally," said one speaker. "Investments of these companies are jeopardized, they feel, by excessive taxation, moratoria, and other restrictions. What is needed is a release of funds through normal channels if this much-needed building is to be carried out."

It is unlikely that the resolution as drafted by the Associated Boards of Trade will enter into detailed criticism of the Act.

Instead, it is likely to urge upon the government the necessity of speed in adjusting the existing legislation to the practical needs of both the small and large centres of Canada, and releasing the volume of new building awaiting the necessary financing.

New Federal Building for Winnipeg

Above is shown the new Federal Building, nearing completion in Winnipeg. George W. Northwood and Associates, of Winnipeg, are the architects. Work is under the direction of the Dominion Government Public Works Department, with T. W. Fuller as chief architect, and the Carter-Halls-Aldinger Co. Ltd. as general contractors. The structure is of structural steel frame on reinforced steel caissons to rock, with reinforced concrete floors and roof. Materials are largely from Manitoba.

Public Works Construction To be Probed by Builders

Public works construction, and the indicated revival in housing activity, will be main features of discussion at the forthcoming annual convention of the Canadian Construction Association in Hamilton on January 21, 22 and 23.

Governmental efforts to stimulate building operations and relieve unemployment through large scale construction of public works will be probed by expert observers with a view to finding the effect of government sponsored operations on industry in general. The result is likely to disclose a wide range of opinion since it will revolve chiefly around the question of whether this form of government expenditure should be continued or not.

Various financial authorities have urged curtailment of public works spending because of its tendency toward increasing municipal, and governmental indebtedness, coincident with rising taxation. It is probable that this aspect of the situation will be discussed fully, as well as the results achieved to date in reduction of unemployment and replacement of obsolete structures.

Among the speakers will be Hon. P. J. A. Cardin, minister of public works in the federal government. Mr. Cardin's statements will probably hold considerable significance to the construction industry, as a possible index to the Government's policies during the next few years. Government plans in connection with the Dominion Housing Act may be clarified.

House Construction

With signs of recovery in industrial construction already widely evident in Canadian urban centres, the whole scope of housing construction will be second only to public works as a major topic of discussion.

"We will canvass the matter of housing from every angle," says H. P. Frid, chairman of the Hamilton convention committee, who adds that it is now generally admitted that a revival of activity in house building will be among the first steps in recovery of the building industry as a whole.

New Building Methods

This year's convention of the C.C.A. follows the first year of tangible evidence of revival in the building trades. Development of new construction methods, materials, architectural practice, and other factors which have been relatively unknown to the public during the depression years are expected to form an important part of the various addresses and committee reports.

Labor Saving Integral Part Of House Plan

Research Efforts Provide Many Innovations in Modern Equipment

HIGHER STANDARDS

Revival of building activities in Canada is bringing with it many innovations in structural design of private dwellings.

Most of these are associated with improvements effected in house equipment, including air conditioning, electrical installation, and other modern conveniences designed primarily for increased comfort and convenience. But all are having the effect of a pronounced change in specifications which, in turn, tend toward new developments in dwelling design and style.

The result may be an entirely new conception of modern house construction, as newer developments in interior equipment and design make their appearance.

Electrical Development

Electrical research and technical development alone account for many of the changes already familiar to the construction industry but relatively new to the home owner-builder.

"The enterprise and skill of engineers, architects and builders is being combined to produce an entirely new standard in domestic life," said D. C. Durland, president of the Canadian General Electric Co. Ltd., recently in a statement to The Financial Post. "House designs, in which layout and equipment incorporate these ideas, are available, and some electrical companies are co-operating in the construction of houses in which comfort, health and convenience will be paramount, including houses which will be within the reach of the man of modest means.

All-electric House

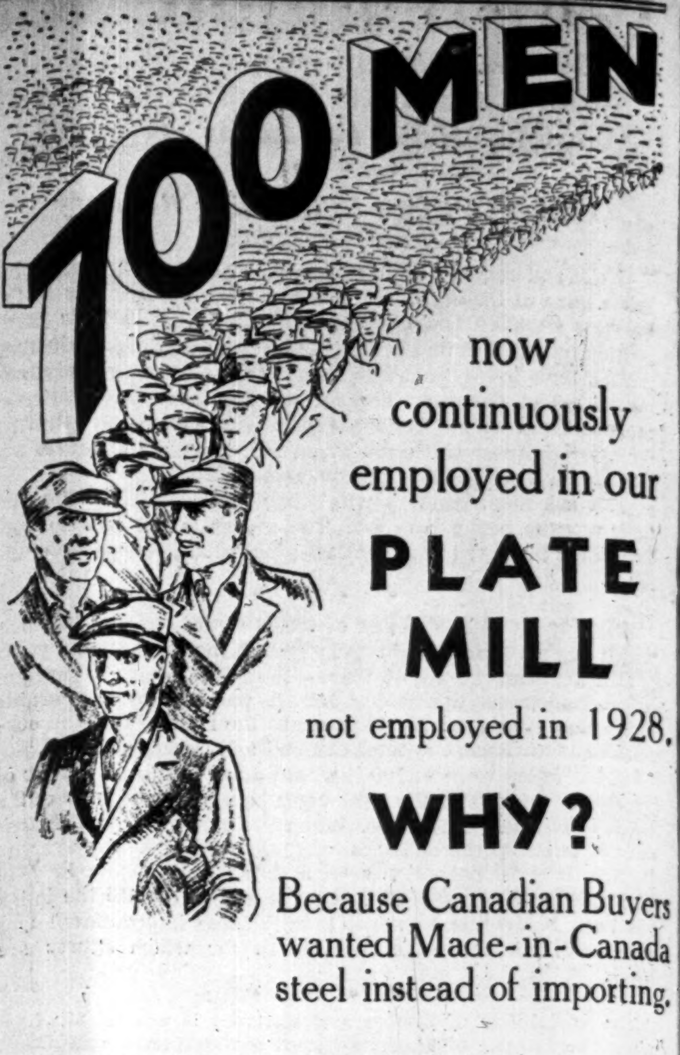
"The all-electric type of house," Mr. Durland continued, "will be effectively air conditioned and illuminated, and waste space largely eliminated with electric facilities arranged compactly so that only a minimum of walking, reaching, and other normal labor will be necessary when a specific task has to be done."

The electrical field is only one of several, however, contributing to the modernization of dwelling construction.

Plumbing, heating, insulation, roofing, and other phases of house construction have undergone revision during years of depression. The results, hitherto familiar to the construction industry, may act as a powerful stimulant to new building in this field, when they become generally known to the home builder during the next year or two.

Asbestos

The production of asbestos during the first ten months of 1935 in Quebec amounted to 168,712 tons—a marked increase over the 129,057 tons mined in the same ten months of 1934.



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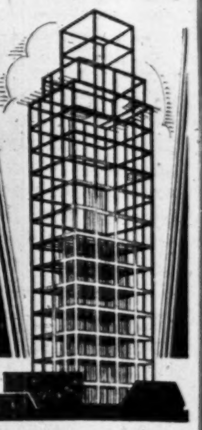

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Construction Shares

Delay in Building Recovery Significant for Investor; Features of Ten Stock Issues Have Wide Variation

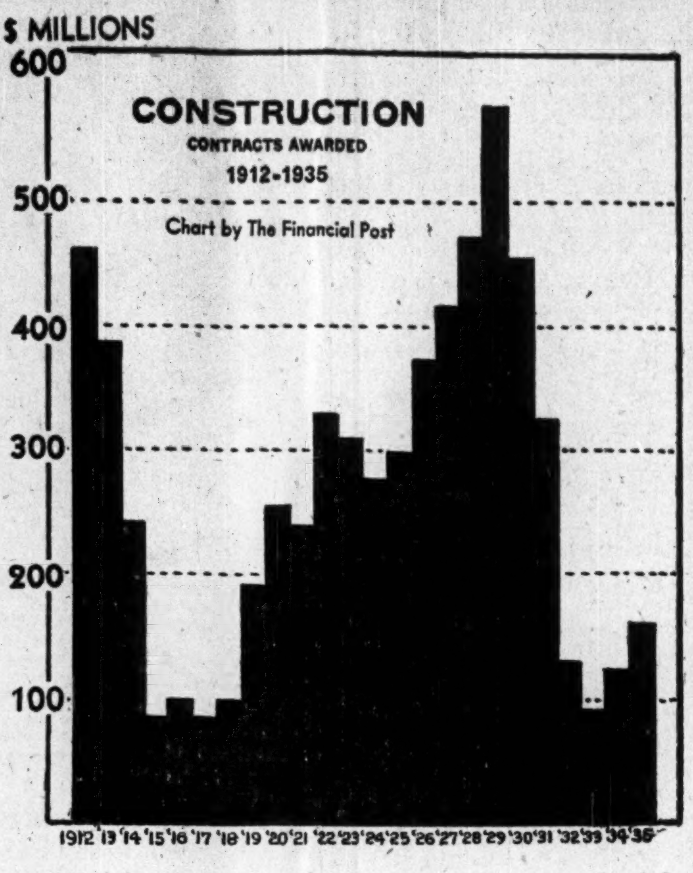
That figures do lie, or at least often tell only half-truths, is illustrated by the bare statement that construction contracts awarded in 1935 show a gain of 27 per cent over 1934, without consideration of several other factors.

As Dr. Samuel Johnson once put it, the comparison is that of a louse to a flea.

The expression of the increase in percentage may not be misleading, but it tells only part of the story.

Construction contracts awarded in 1935 amounted to only 49 per cent of the 1926 total. Building permits for 1935 were under 30 per cent of the 1926 figure. Hence, the improvement of 1935 still left matters only partly improved in the building and construction field.

While The Financial Post's index of general business has risen above the 1931 level, volume of building and construction remains at less than half the 1931 total.



Prospect of Improvement

Generally speaking, the performance of construction and building shares in 1935 was disappointing to holders.

The very fact, however, that construction securities are still depressed, in comparison with general market averages, may indicate that the delay in construction recovery offers a favorable field for profitable investment. The field at least has ample room for improvement.

If the investor agrees with economic authorities that a major economic recovery is under way in North America, he can see that the very slowness of construction and building to recover, and the still-depressed level of construction shares, offers an opportunity to ride on the recovery bandwagon. In doing so, of course, the rider must take the risk that the recovery parade may turn down some blind alley.

Two Giant Forces

Two giant forces have been working rather quietly for six years to bring an eventual recovery in construction trades. They are depreciation and obsolescence.

No one knows exactly how much the houses, factories, roads, railways and equipment in Canada have been depreciating in the past six years. It is granted on all sides, however, that depreciation has been outrunning repair work. First, then, a large potential demand for reconstruction work has been created.

Then there is obsolescence. Almost every authority on housing and industrial technique agrees that a large proportion of present industrial and residential buildings and equipment is at least partly obsolete. The growth of obsolescence has been speeded by the absence of a normal volume of construction in the depression.

The creation of a huge need for construction and reconstruction may result in a veritable building boom within two or three years. If such a development does occur, shares of companies in the construction field are likely to enjoy considerable gains in earnings, dividends and values. The longer building and construction are deferred, the greater become the potentialities for eventual boom conditions in these industries.

Construction Shares

It is at least doubtful whether there is available for public investment in Canada any one security representing an investment in the whole construction field in this country. There is a sufficient variety of securities available, however, to enable the investor to acquire an interest in the construction industry as a whole by a little diversification of investment within the field.

Statistics and Comment

Comparisons of various statistics on market prices, dividends, earnings and yields for the 10 securities are shown in the large table on this page. It shows that the three stocks that gained most in 1935 are also the three nearest to their peak prices of 1929. These three are Steel of Canada common, Building Products A, and Dominion Tar preferred.

The remaining seven stocks had widely varying stock market records in 1935. The reasons for some of the discrepancies in price movements are indicated in the following comments on the individual companies' shares:

Steel of Canada Com.

The Steel Co. of Canada is engaged in all branches of steel production.

Consequently, it has enjoyed comparative resiliency of earnings, even in the depression, partly due to its wide range of smallware in general consumption. In 1932, however, it did not cover the dividend on the preferred shares. Even with the present measure of recovery, the company can earn its preferred and common dividends by a comfortable margin.

With a broader recovery in the construction field, the company is fully capable of liquidating $10 a share of back payments on the common stock. These back payments arose from a privy council decision.

The court ruling concerns the right of the preferred shares to participate in earnings after seven per cent, $1.75 a share, is paid on the common. Before the participating feature is effective on the preferred shares, it is necessary to pay an additional $11.42½ on each common share to make up for former payments of preferred dividends. The first installment has been declared payable Feb. 1, 1936.

Hence the present low yield on the shares is a reflection of the possibility that more extra payments above the regular dividend rate of $1.75 a share will be forthcoming for the common. If and when the $10 a share is paid on the common, both preferred and common shares will divide future payments in excess of seven per cent. This means that the outlook for the common shares, while business recovery persists, is for payments above the $1.75 a share.

Building Products A

Building Products Ltd. manufactures asbestos shingles, roofing, wallboard fibre containers, and waterproof paints and cement. While this type of product will benefit greatly from sustained revival of building, the variety of products includes many that rank as semi-consumption goods which require renewal.

The company has had a considerable improvement in business in 1935 and so an extra dividend of 25 cents a share has been paid. Partly because of the character of its products, the company has been able to show earnings throughout the depression.

Dividends have not always been covered, but the company's working capital has been increased in the past seven years, and if earnings rise further with building recovery, increased payments are probable.

Dominion Tar Pref.

Dominion Tar & Chemical Co. and its subsidiaries distill tar and by-products and supply creosoted timbers, poles and ties to railways, telephone companies, and for bridges. Subsidiaries market a broad range of building and roofing materials.

The company depends to an important extent upon replacement orders from the railways and telephone firms for its creosoted products.

In 1932, dividends on the preferred shares were discontinued and since then there have been no earnings on the shares. The rise of the stock in the past year appears to be based on expectations of a better showing for 1935.

The preferred stock has the characteristic of common stock issues in that the outlook depends on earnings that have been non-apparent for some time. Increased replacement business may be expected as time goes on, and there is an eventual possibility that arrears of dividends on the preferred shares will be dealt with.

Canada Cement Pref.

Canada Cement Co. is in the cement business, essential to all sorts of building.

Improvement of earnings has not been of major character, and the company has yet to feel a full recovery. Like Dominion Tar preferred, the preference shares of Canada Cement have some of the aspects of common stock.

If earnings are shown on the shares, there are prospects of eventual appreciation. In addition, there is the eventual possibility of heavy dividend arrears being funded in some way. The present company has never shown sensational earnings on the preferred shares, but is capable of earning and paying the full $6.50 dividend if there is a recovery in the building industry.

Foundation Co. Com.

Foundation Co. of Canada has three divisions, building, engineering and marine. It constructs such things as office buildings, power developments, harbor terminals, and does general marine work. These branches of the construction industry have been sharply depressed, but the company showed substantial earnings on its capital, which consists solely of 84,600 common shares, until 1934.

Some recovery of earnings has been obtained, but further improvement depends to a large degree upon resumption of large-scale construction in Canada.

The depression record is good, and working capital has been increased. Hence, gains in earnings can be passed on to shareholders in dividends.

Page-Hersey Com.

Page-Hersey Tubes Ltd. has shown substantial earnings throughout the depression but failed to earn the $3 dividend in 1932 and 1933. In 1934 the company earned $3.56 a share. In 1935 domestic sales were up but foreign were down due to international complications.

The company manufactures almost every sort of pipe and tubing, and also makes steel and tubing which is used for a wide variety of purposes, as in refrigeration, heating apparatus, as well as in building and construction. This wide diversity of production is what assisted the company to maintain some earnings even in the depths of the depression of building.

The record shows that given a wider recovery, especially in building, Page-Hersey would be able to expand its profits on the 175,000 common shares materially. There are no senior securities and the working capital is sufficiently large to allow generous dividend payments if earned.

National Sewer Pipe A

National Sewer Pipe Co. manufactures vitrified clay products used in building, including sewer pipe, wall coping, flue lining, conduits, blocks and tile. Most of the output is marketed in Ontario.

No earnings have been shown on the class A shares since 1932.

Working capital however, has been maintained close to $1 million, which is more than the value placed on the class A stock at present prices. These shares carry a cumulative dividend of $2.40 each.

There seems to be no prospect of early resumption of the full dividend rate. However, the past record indicates that the full rate arrears may eventually be paid. It depends on a return of building to what is considered normal.

Dominion Bridge

In addition to structural steel, Dominion Bridge Co. manufactures hydraulic machinery, tractors, heavy castings and other equipment for industrial uses. This gives considerable variety to its lines but leaves it largely dependent on recovery in demand for long-lived capital equipment for a thorough recovery of earnings.

The company's only outstanding securities are the 513,951 common shares. Since working capital has actually been increased over the past seven years, it has been possible to pay dividends even when not fully earned.

For the same reason, the company is capable of increasing dividends given the necessary recovery in demand for its products. The shares represent an investment in the heavy steel sector of the construction field.

Gypsum, Lime, Com.

Gypsum, Lime & Alabastine, Canada, Ltd., has a first mortgage bond issue of $3.6 millions and a small subsidiary bond issue. Otherwise the capital consists entirely of 450,876 common shares.

The company's corporate name describes its business. Its products are directly dependent on the building industry for revival of demand. So far, nothing in the nature of an important recovery has been notable in the company's earnings.

The company's large working capital enabled it to come through the depression.

Now, however, it appears likely that some increase in working capital may be necessary before there will be likelihood of common dividends. Still, the effects of a revival in building would be to raise demand for the company's lines sharply.

Hamilton Bridge Pref.

Hamilton Bridge Co. has had operating losses since 1932. A large liquid working capital has enabled it to come through the depression safely, although preferred dividends had to be passed in 1932.

The working capital has been reduced materially by losses, so that early resumption of preferred dividend is not expected.

The company fabricates and erects heavy structural steel, and such steel products as turntables, poles, pipes, towers, tanks, etc.

A lack of orders for steel products is the chief shortcoming of the company. If recovery in demand develops for such long-lasting materials, it is expected that Hamilton Bridge will enjoy benefits.

Statistics on Ten Construction Stocks

Security:		Price per Share Jan. 3, '36	Price per Share Jan. 3, '35	Change in Year	Peak '29 Price	Below Peak	Present Div.	Yield	Earnings per Share Latest Year	Earnings per Share Best Year
		$	$	%	$	%	$	%	$	$
Steel of Can.	com.	60	47	+27.7	69¼	13.4	*1.75	2.9	3.40	6.70
Building Prods.	A	35	27	+29.6	46	23.9	1.25	3.6	1.28	3.41
Dom'n Tar	pfd.	55	42	+30.9	91½	39.9	....	...	nil	18.39
Can. Cement	pfd.	58½	58½	......	99½	41.2	....	...	0.27	7.62
Foundation Co.	com.	13½	13½	......	24	43.8	....	...	nil	2.86
Page-Hersey	com.	79	76	+3.9	141	44.0	3.00	3.8	3.55	11.30
Nat. Sewer Pipe	A	18	20	—10.0	38½	53.2	....	...	nil	7.36
Dom'n Bridge	com.	33	34	—3.3	117½	71.9	1.20	3.7	0.90	5.46
Hamilton Bridge	pfd.	25	31	—19.4	95	73.7	....	...	nil	24.59
Gypsum, Lime	com.	7¼	6½	+11.6	32¾	77.9	....	...	nil	1.70

*Excluding $1.42½ per share extra payable Feb. 1 1936.

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OPINION DIVIDED OVER PROPOSALS FOR SLUM AREAS

Fear Burden of Clearance May Prove Permanently Onerous

A wide difference of opinion exists in Canada regarding the feasibility of slum clearance projects.

Building authorities who believe that a constantly improving standard of construction is desirable, state that the pressure for slum clearance hinges upon demolition of condemned structures and their replacement with a cheap type of house that can be rented at around $15 a month.

The implication, they state, is that the new houses are primarily designed for low cost construction, and for people of very limited means who in time of economic stress may have to rely upon municipal or other authorities for relief

When the latter condition develops, it is claimed, the whole financial burden of the scheme reverts upon the municipality or some other agency and even the small rental revenue ceases.

No End To Plan

Once started, the practice of slum clearance may have to be continued indefinitely, its critics state. They admit that in Toronto, Montreal and other urban Canadian centres, there is congestion, and a number of decrepit houses which should be replaced.

But they assert that Canada cannot be compared with other countries in relation to slums which, in Europe, for example, are far more serious as a social and health problem than is the case in the Dominion.

Since occupants of "slum" houses are frequently relief charges also, condemnation of the structures by municipal authorities creates the further problem of finding a place for the evicted or removed families.

The logical location, however, is on the outskirts of any large city where land is cheaper and healthier conditions exist on new ground. In this connection definite social and health benefits are seen.

Technical details forming unexpected obstacles to slum clearance, include location of such structures as hydro sub-stations, and other essential public services which may exist in the centre of an area scheduled for demolition.

Legal technicalities also arise in the form of mortgages, involved estate ownership, and the danger of litigation arising out of disputes between the municipality and owners of the properties.

"Canada is in no position to afford the expenditure of large sums on slum clearance," said one builder in conversation with The Financial Post. He believes it will take two generations at least to deal with the subject on a businesslike basis and then, he predicts, no one can foresee where such a movement may end.

Need Seen in Montreal

G. W. Elliott, president of the Montreal Real Estate Board, declares on the other hand, "The matter of slum clearance must receive practical attention at the earliest possible date if Montreal is to be kept safe, sanitary, moral and beautiful."

In his report to the board, Mr. Elliott deals with slum clearance as it would affect Montreal particularly.

He asserts that a study of slum clearance schemes in other cities has proved conclusively that the extermination of such areas is a most remunerative investment, even though the initial cost may be great.

Benefits Are Cited

Results obtained have been a reduction in juvenile time, a reduction in fire losses, a reduction in sickness and communicable diseases and a reduction in the cost of social services.

Welfare and other agencies in Ontario, including prominent public officials, have also frequently urged an organized effort to clear up slum conditions in the urban centres of the province.

HOSPITAL BIDS REVEAL A RISE IN B. C. COSTS

Higher costs of construction in Canada, forecast among building probabilities of 1936, are already evident in Vancouver.

A short time ago the government of British Columbia called for bids on a school at Creston, and these were considerably above the estimates of the department.

Public works officials at that time indicated that cost of construction, which dropped to a low point in the depression, had definitely started an upward climb. Confirmation of the trend is evident in the tenders opened for construction of the new tubercular wing of the Vancouver General Hospital.

In announcing award of the contract to the E. J. Ryan Contracting Co., Ltd., of Vancouver, Hon. F. M. MacPherson, minister of public works, gave the Ryan company's bid as $192,391, the lowest of five tenders. The departmental estimate was $179,394.

Construction of a new wing, and remodeling of an existing building alongside, to accommodate 100 hospital beds, are part of the projected additions to the hospital.

Nearly 20,000 Contracts Bring Nation-wide Gain

Construction contracts awarded in Canada during 1935 accounted for 19,047 separate projects, compared with 16,734 in 1934 and 13,407 in 1933, according to MacLean Building Reports Ltd.

The number of projects, taken in conjunction with the value of the work, indicates a definite upward trend which should be accentuated in 1936 if national and international skies continue to clear. Every province of Canada participated in the increase.

Year-End Totals

December building contracts throughout Canada totalled $4,364,900, compared with $8,290,800 in November, and $6,062,200 for December of 1934.

The decline compared with the preceding month is, of course, due partly to seasonal factors, but it indicates that as early as December, 1934, the pronounced upward trend was already evident, with contracts in excess of $6 millions.

Last month, construction contracts awarded in Canada were under those of December, 1934, but they included a number of important structures in all parts of the country.

A $300,000 Item

Among these were British-American Oil's absorption plant in the Turner Valley area of Alberta, with a value of $300,000; sewer and allied construction in Winnipeg amounting to $151,600; an hotel in Ogden, B.C., at $70,000; the Burlington, Ont., subway at $60,000; and a factory at St. Johns, Que., at $50,000.

The following table gives the totals by provinces compared with 1934 figures:

	Building Contracts 1935	Building Contracts 1934
	$	$
Ontario	70,873,000	63,358,000
Quebec	44,472,000	34,135,000
British Columbia	12,108,000	9,392,000
Manitoba	8,744,000	3,905,000
Nova Scotia	7,904,000	4,994,000
New Brunswick	6,055,000	4,590,000
Alberta	5,893,000	3,489,000
Saskatchewan	3,841,000	1,563,000
Prince Edward Island	415,000	385,000
	160,305,000	125,811,000

Winnipeg Permits Exceed 1934 Level

Building permits issued in Winnipeg up to November amounted to $2,690,750.

Omitting the federal building $1,420,250, and the extension to the post office, $265,000, both of which were undertaken primarily as relief projects, there is still an increase over last year of $312,460.

The figures from a construction point of view are even more favorable if the sewage disposal project is included.

New Federal Building Uses Manitoba Materials

Construction of the new Dominion Government's Federal Building in Winnipeg has aided a number of Manitoba industries.

Materials used were largely obtained within the province. All reinforcing steel, for example, and about 55 per cent of the structural steel were rolled at Selkirk, while the entire supply of granite, cut stone and marble came from Manitoba quarries and processed in Winnipeg.

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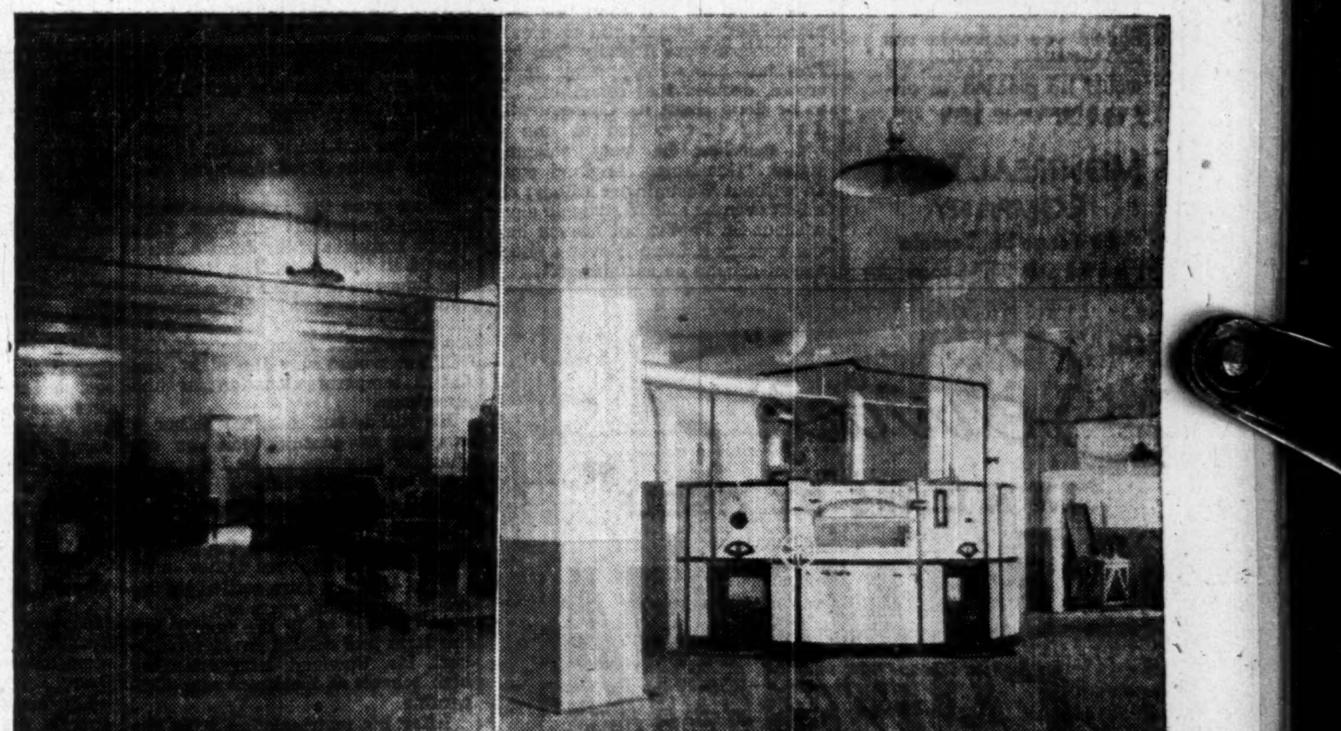

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Rapid-Fire Promotion

Four Senior Appointments in 1935 Feature Advance of John A. Rowland With the Canada Permanent

BY SCOTT FYFE

Quiet, capable and extremely popular, John A. Rowland has impressed a number of Canada's leading financiers as most nearly personifying Sir Edward Beatty's three requisites for the ideal business man: character, personality and brains.

Sir Edward's ingredients have been mixed in just the proper proportion, they claim, and the result is one of the most highly regarded and respected business men in Canada.

His rapid rise in the last half of 1935 to be vice-president and general manager of both the Canada Permanent Trust Company and Canada Permanent Mortgage Corporation (he is joint general manager of the mortgage company) is a marked tribute to his executive ability. Rarely has a man been honored with four senior appointments in so short a time.

A great deal of his success in the financial sphere can be traced to a kindly personality which not only inspires confidence in his ability, but lends assurance that he is intimately and sympathetically concerned about the other fellow's affairs. A keen judge of human nature, he is a great mixer. Sincere himself, he abhors any suggestion of smartness; he turns no sharp corners. It has been said that he is a man without enemies.

A Man of Integrity

Asked to describe John Rowland in a single phrase, one of his intimates replied "Diamonds may be left on his table."

And another added, "Not merely diamonds; but private papers in which he was greatly interested could be left on his desk with the assurance that their privacy would be thoroughly respected."

He is an exceptionally fine public speaker, and his ability in that direction is widely recognized not only in Canada but in the Old Country as well.

He seems to have an instinctive knack of sizing up an audience immediately he begins to speak and to have exactly the right phrase or story to command his listeners' entire attention.

A Prominent Bowler

When he was a member of the Canadian lawn bowling team which toured the United Kingdom some years ago his team-mates describe what happened when he began an address in the frozen atmosphere enveloping a body of stiff, undemonstrative Englishmen, steeped in tradition.

Within a few moments, they say, the atmosphere would begin to thaw until, in some instances, the audience was actually standing at the end of his speech and crowding about to secure his autograph.

Salmon and Cucumbers

While on that tour, the team was almost invariably fêted by the clubs and business organizations which they visited, on cold salmon and cucumbers.

So much so, that even this tasty morsel began to pall, and eventually the tourists were literally "fed up." Rowland, being the speaker of the crowd, decided that something had to be done about it. Consequently, during the course of one of his speeches, he very solemnly stated: "Gentlemen, England could do without Westminster Abbey; she might even be able to struggle along without St. Paul's; but heaven help the country if there is ever a shortage of salmon or cucumbers."

He is a lawyer. And his family background was largely instrumental in his choice of that career. His father was keenly interested in people and in community life; for almost a quarter of a century he was councillor for Ontario county and was a very staunch Tory.

John Rowland was raised in that atmosphere, and as law is the profession which one usually associates most closely with political life, he naturally chose it for his life's work. If circumstances had been different, he feels that his father, too, would have chosen law, instead of farming, as his career.

An Authority on Estates

Most of his work has been in the administration of estates, in which he is now a recognized authority. Thus, his legal training and experience has been along lines which eminently fit him for his present position with the Canada Permanent Trust Company.

But, if conditions had been otherwise, he would have been a politician. He quite frankly admits that if he had had wealth enough to afford political life he would have entered it years ago.

It is his contention, however, that political life such as he would have preferred requires sufficient money to provide leisure. A politician, he feels, must be prepared to give his time to the country rather than to his own interests and should have sufficient resources to obviate worry over his own ordinary affairs.

He is not wealthy now, he says, and is not likely to be; wealth in itself does not attract him. His friends believe that he has the characteristics that would make an exemplary politician, and in this there is agreement even among those who adhere to divergent political tenets. However, he feels that the day when politics might have claimed him has passed.

JOHN A. ROWLAND

Political Diplomacy

His family, it has been said, was deeply interested in politics. His father was a close personal friend of Sir William Mulock, although on the other side of the political fence, when Sir William was not as well known as he is today.

Whenever Sir William was speaking in the Rowlands' riding, he was invited to the Rowland home over night.

Those were the days when every staunch Conservative in North York kept a statuette of Sir John A. Macdonald in the house. The Rowlands had theirs in the spare bedroom and young John used to be quite puzzled on seeing his mother take Sir John from the guest room whenever Sir William would stay the night, and find a temporary location for him elsewhere.

He still is not certain whether it was out of consideration for her guest, or whether she had fears for the safety of Sir John.

Pioneers of Ontario County

A native of Ontario County, Mr. Rowland started life on the pioneer farm of his Irish-born father, near Mount Albert, a farm settled by the family nearly 100 years ago

At the age of 10 the family left the farm and settled in Mount Albert, Mr. Rowland later attending high schools at Markham and Kincardine.

After his matriculation from the latter institution, he entered the honor course in classics at the University of Toronto. Apparently he had not definitely decided to take this course until shortly before matriculation for he wrote his matriculation after only six months study of Greek. The fact that he passed a brilliant examination in that subject is indicative of his scholastic prowess.

Enters Osgoode Hall

On completion of his course in classics he entered Osgoode Hall to take up the study of law. His course there was interrupted at the end of two years, when he accepted the offer of a fellowship in classics at the University of California. But the lure of law called him back to Osgoode the following year, and he completed his course there in 1900.

Called to the Ontario bar, Mr. Rowland joined the firm of MacDonald, Cartwright and Garvey, one of the oldest law firms in Toronto.

Shortly afterward he heeded Horace Greeley's call and worked under the Hon. Joseph "Fighting Joe" Martin, one-time premier of British Columbia.

Although he remained with Mr. Martin only one year, the association created a strong impression on the young lawyer, and he still has the highest regard for the eminent westerner.

Returning to Toronto for personal reasons, he rejoined his old firm, and this time the firm name was changed to MacDonald, Garvey and Rowland. His K.C., was awarded in 1928.

A Director in 1928

Although it was in 1928 that he was appointed a director of both the Canada Permanent Mortgage Co. and the Canada Permanent Trust Co., his association with the companies dates back 25 years when his law firm was a tenant in the old Canada Permanent Bldg., on Toronto Street.

His appointment as a director was made with a definite object in view. The companies had been looking about for a man to eventually take over the responsibilities of management of the trust company and decided that none was as well qualified as John Rowland.

Manager of Trust Company

Thus officials of the company had planned that he would some day be general manager and might go even farther. His appointment as general manager of the trust company last summer, therefore, came as no great surprise.

The passing of G. H. Smith and W. G. Gooderham left the way open for his further advancement. In September last he was appointed joint general manager of the Mortgage Company, along with C. S. Robertson, and more recently was elected first vice-president of both the Canada Permanent Trust and Mortgage companies. Three weeks ago the Continental Life Insurance Co. elected him to its board of directors.

Apart from business, most of his time is occupied with Masonic matters. He is a past Grand Master of Ontario Grand Lodge and is at present Grand Treasurer of the Grand Lodge. He also holds the offices of Lieutenant Grand Commander of Scottish Rite bodies in Canada, and representative in Ontario of the Grand Lodge of England.

His Masonic activities were indirectly the cause of some concern to his travelling companions on one occasion when in Northern Ireland. He was introduced to a Belfast audience as Past Grand Master, not of the Masonic Lodge, but of the Orange Lodge. That was all right as far as Belfast was concerned, but Dublin was the next port of call and others in his party protested that after that introduction they were more than a little dubious of the reception which would be tendered them.

Interested in Sports

It has been said that people are his real hobby. But he is also widely known as a bowler and curler. He was a member of the Canadian Lawn Bowling Team which toured the British Isles in 1924, but unfortunately, he finds that the time which must be devoted to business is now playing havoc with his opportunities to enjoy this pastime.

He is very fond of reading, particularly biography and history, and philosophy—"but not too much philosophy."

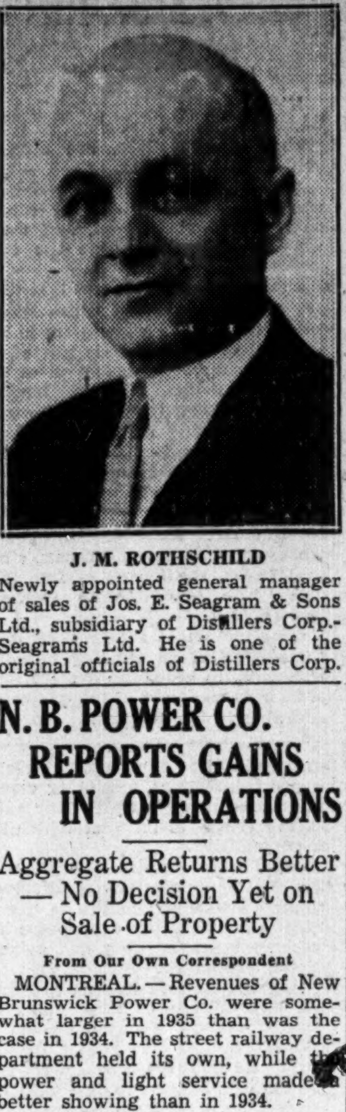
A practice which gives him considerable pleasure is the bringing along of promising young business men, particularly those with some legal training. Character, personality and brains, the attributes which others find so clearly in himself, are the qualities he requires in others.

Speaking of his own profession, law, he claims that "there are no hard and fast rules leading to success.

"It is primarily an individual matter, calling for a genial personality and ability to mix with the public."

But then, he adds, "A little knowledge of law is no impediment to a law clerk."

Gets Promotion



J. M. ROTHSCHILD

Newly appointed general manager of sales of Jos. E. Seagram & Sons Ltd., subsidiary of Distillers Corp.-Seagrams Ltd. He is one of the original officials of Distillers Corp.

N.B. POWER CO. REPORTS GAINS IN OPERATIONS

Aggregate Returns Better — No Decision Yet on Sale of Property

From Our Own Correspondent

MONTREAL. — Revenues of New Brunswick Power Co. were somewhat larger in 1935 than was the case in 1934. The street railway department held its own, while the power and light service made a better showing than in 1934.

Toward the end of last summer the New Brunswick Power Co. informed the City of Saint John that the operation of two electrical systems, its own, and the city's, in the municipality was uneconomic and that if the company were to continue in business it would be necessary to make further capital expenditures. A suggestion was made that the city should take over the company's property.

Examine Company's Books

Following up this suggestion, the city made arrangements for a firm of accountants to examine the books of the company with a view to arriving at a satisfactory price. This work has been delayed by the death of the chartered accountant in charge of the work.

In the event of a failure to make a deal, New Brunswick Power proposes to make an offer for the civic system.

Bonds Mature in 1937

Another problem confronting New Brunswick Power Co. has to do with its funded debt. At the end of 1934 the company had outstanding over $1.7 millions five per cent first mortgage bonds. These bonds mature in 1937 and the negotiations with the city will have a considerable bearing as to what steps will be taken to liquidate or refund the bonded debt.

Port Royal Pulp Reports Larger Sales

From Our Own Correspondent

MONTREAL. — Port Royal Pulp and Paper Co. experienced an increase of about 25 per cent in the volume of business handled during 1935 as compared with the preceding twelve months. The gain was principally due to improvement of conditions in the United States, which takes about 80 per cent of the company's output.

Firmer Stand Now Indicated Toward Western Borrowing

Ottawa Government Expected to Embark on Many-sided Programme to Check Demands on Federal Treasury — Provinces Owe $100 Millions

From Our Own Correspondent

OTTAWA. — With loans to the four western provinces standing at $100 millions and with demands on the national treasury increasing, rather than diminishing, the Dominion government is seeking means of escape from a situation which threatens these provinces with chronic invalidism.

The practice of lending Dominion money to the west began in 1931 when the British abandonment of gold created exchange chaos and confronted Canadian governments with serious debt maturity problems.

Originally, loans were made purely to enable the western provinces to meet bond debt maturing in foreign countries, chiefly New York. The premium which had to be paid on American funds placed a strain on provincial finances they were unable to support.

Later, loans were granted the provinces for unemployment relief and still later for drought and for purposes of municipal relief. In the case of Saskatchewan, money was forthcoming for the ordinary provincial budget.

A Credit Safeguard

In the early days when conditions in the country were panicky, Dominion assistance to these provinces was adopted on the ground that collapse of a province might topple the whole credit structure of the country.

The policy was then regarded as a temporary one but passing years, and despite a substantial improvement in business conditions, have revealed it as chronic. Current demands from the west are more frequent and urgent than in the darkest of depression days.

Firmer Policy

Solution of this problem is being sought by the government in several ways and it is plain that, though the lending policy can be sensibly contracted, additional moneys will be necessary from Ottawa if the provinces are to be saved from default.

The new government, unquestionably, has done some tall thinking in this regard and a firmer, more definite handling of the situation is certain to be evident in the new year.

Solution of the problem will be sought in several ways:

1. Expansion of trade, as the one permanent solvent of unemployment, is regarded as the chief objective. There has been a steady improvement in trade, in Ottawa's view, for some months but hitherto it has not worked back to the jobless.

Apparently the capacity of those at work was not being utilized to the full and therefore a substantial upturn could take place without reducing unemployment. This slack is now thought to have been taken in and further improvement is believed bound to react on bread lines.

Loans Council

2. A Dominion loans council, along the lines forecast in The Financial Post, is being pressed for with good prospects of success. Conferences with the provincial treasurers in this regard are being resumed.

A loans council would enable provincial debt to be converted under Dominion guarantee and would save provincial treasuries substantial sums.

3. The National Unemployment Commission as the custodian of Dominion relief funds will carry through, and promptly, a purge of relief rolls in Montreal, Toronto, Vancouver and Winnipeg. Smaller cities will be X-rayed later on.

4. A census of unemployed will be taken forthwith and more vigorous and integrated employment services will be set up.

5. More generous cash assistance to the provinces will be given by Ottawa.

To Benefit the West

To some extent these policies will benefit all the provinces and municipalities. Chiefly, however, they should benefit the western provinces.

But while the Dominion government stands ready to help pay for the cost of unemployment, it has been made very clear that Ottawa will not accept the primary responsibility.

It is also very clear that Ottawa will not carry cash assistance to the point where Dominion credit is believed to be endangered.

The Dominion government believes that the extent to which the west has grown dependent upon the national treasury is not commonly known

In the first three years, following Sept. 1931, the average amount loaned to the west was $20 millions per year. The demands and acceptances have risen steadily. This fiscal year $25 millions have been loaned in the first eight months and the grand total will scarcely fall short of $40 millions.

For Unemployment

As a result of the re-deal at the Dominion-provincial conference, the Dominion has increased its monthly grants in aid of unemployment to all the provinces.

The increase is from $21 millions to $35 millions in round figures. At the same time, notice has been served on the western governments that no further loans on account of municipalities will be entertained.

The municipalities are to get a share of the increased grants and will be expected to get along without borrowing from the Dominion. The increased grants will also cut down provincial borrowings.

Seek Loan Elimination

It is true that this is merely paying the provinces out of one pocket instead of the other. But so far as the west is concerned the increase in grants will be accompanied by a much firmer treatment of requests for loans. And the grants are not regarded as permanent features of Ottawa finance.

The objective is to cut down the grants and dispense with further loans by the end of 1936.

ANGLO-CAN. PULP ON FULL-TIME BASIS

Low Newsprint Price Limits Revenue—Expenses Cover Wide Field

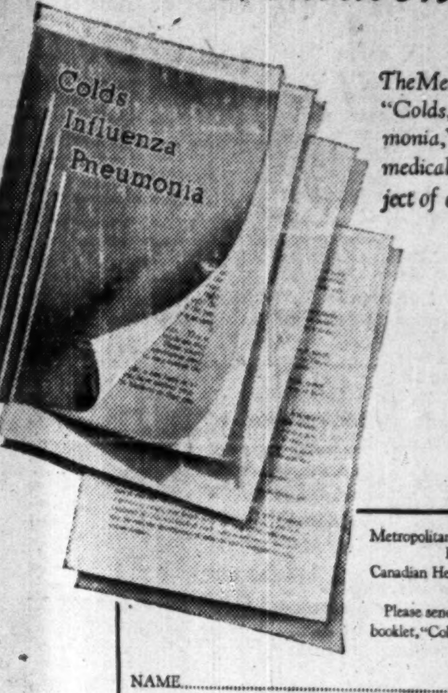
From Our Own Correspondent

MONTREAL. — Anglo-Canadian Pulp and Paper Mills operated its plant at capacity during the past year, the greater part of the output going to the United States and a substantial proportion to Great Britain. Revenues were only fair owing to the continued low selling price of newsprint.

The importance of Anglo-Canadian's operations in the industrial life of the province is evidenced by figures released by the management on operating costs. For instance power consumption runs into $1 million a year; approximately $2 millions is expended on payrolls, as work is provided for some 2,500 woodsmen during the logging season and about 500 mill hands are employed, while more than 100 are engaged on the administrative side.

Several hundred thousands of dollars are paid out annually in provincial government taxes.

Health Enemy No. 1
—the Common Cold



The Metropolitan's booklet, "Colds, Influenza, Pneumonia," contains the best medical advice on the subject of colds. Send for your free copy.

Metropolitan Life Insurance Company
Dept. 1-F-36
Canadian Head Office, Ottawa.
Please send me a free copy of your booklet, "Colds, Influenza, Pneumonia."
NAME..........
ADDRESS..........
CITY.......... PROVINCE..........

LOOK out for the common cold! Last year it cost more than 500 million dollars in wages, caused more absence from work than any other form of sickness, robbed millions of children of time from school.

Look out for the common cold! It may pave the way for other dangerous enemies of health — influenza and pneumonia, and even tuberculosis. In addition, a cold may often lead to chronic catarrh of the nasal passages, to ear trouble, bronchitis or inflammation of the sinuses —the cavities in the bones of the skull. A cold can easily become a serious matter.

The best time to prevent serious trouble is at the very beginning. The moment your nose begins to run, your throat feels sore, your eyes burn and your back begins to ache, or your head stops up — organize your counter attack on Health Enemy No. 1.

Take no chances. Stay at home. Rest in bed. Stay away from other people—colds are often contagious. Drink plenty of water and eat lightly of simple, nourishing foods. If there is no improvement in your condition the next day, call the doctor. If you are feverish, send for the doctor at once. Do not ignore a cold no matter how trifling it seems. If you take proper care of yourself from the first sniffle, it will not, in a great majority of cases, develop into a serious illness.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

CANADIAN HEAD OFFICE OTTAWA

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ILLINOIS CENTRAL
THE ROAD OF TRAVEL LUXURY

REFUNDING ISSUE

$1,250,000

United Amusement Corporation, Limited

5% First Mortgage Twenty-Year Sinking Fund Bonds, Series "A"

To be dated February 1st, 1936 To mature February 1st, 1956

Principal and semi-annual interest (February 1st and August 1st) payable in lawful money of the Dominion of Canada at the principal office of The Royal Bank of Canada in the Cities of Montreal, Toronto, Halifax, Saint John, Quebec, Ottawa, Winnipeg, Vancouver or St. John's, Newfoundland. Coupon Bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal only. Redeemable as a whole or in part at the option of the Company on any interest payment date on sixty days' notice at a premium of 5% on August 1st, 1936, the premium each calendar year thereafter decreasing ¼ of 1%. Montreal Trust Company, Trustee.

In the opinion of counsel, these Bonds will be a legal investment for Insurance Companies under the Canadian and British Insurance Companies' Act, 1932.

A descriptive circular, copies of which will be supplied upon request, contains a letter from Mr. Ernest A. Cousins, President of the Company, from which the following is summarized:

CAPITALIZATION
(On completion of this financing)

	Authorized	Outstanding
First Mortgage Bonds	$2,500,000	
5% Series "A" (This issue)		$1,250,000*
Capital Stock:		
Class "A" Shares (No par value)	75,000 shs.	66,246 shs.
Class "B" Non-Voting Shares (No par value)	25,000 shs.	8,121 shs.

*Not exceeding $1,250,000 additional First Mortgage Bonds may be issued, but only subject to the restrictive provisions of the Trust Deed.

THE COMPANY: United Amusement Corporation, Limited, incorporated in 1924, operates a chain of twenty-one motion picture theatres in Greater Montreal and Sherbrooke, P.Q., having a combined seating capacity of 25,364. The Company has favourable arrangements with leading British and American film distributors for the exhibition of a broad selection of the best motion pictures obtainable.

EARNINGS: The following is a Statement of Earnings of the Company for the five years ended August 31st, 1931 to 1935 inclusive, as reported by Messrs. Marrotte, Anderson & Co., Chartered Accountants, Montreal.

	1931	1932	1933	1934	1935
Earnings available for Bond Interest and Discount, Depreciation and Income Taxes	$409,493.41	$361,246.75	$213,331.45	$179,705.93	$207,746.81
Provision for Depreciation	78,277.26	65,154.85	63,802.05	51,607.52	45,440.43
Net Earnings before charging Bond Interest and Discount, and Income Taxes	$331,216.15	$296,091.90	$149,529.40	$128,098.41	$162,306.38

For the period of five years ended August 31st, 1935, average annual earnings were equal to more than 4.35 times annual interest requirements on this issue of bonds before provision for depreciation and amounted to over 3.40 times such interest requirements after provision for depreciation.

The Company has paid dividends continuously on its capital stock for the past twelve years.

PURPOSE OF ISSUE: Proceeds of this issue will be used to redeem all of the Company's presently outstanding 6% First Mortgage Sinking Fund Gold Bonds, Series "A", and for other corporate purposes.

SINKING FUND: The Trust Deed will provide for an annual cumulative sinking fund of 3% to commence February 1st, 1937. This sinking fund is presently calculated to redeem at par approximately 60% of the Series "A" Bonds by maturity.

We offer these Bonds if, as and when issued and received by us, and subject to the approval of all legal proceedings by Messrs. Chauvin, Walker, Stewart and Martineau for the Company, and of Messrs. Brown, Montgomery and McMichael for W. C. Pitfield & Company, Limited, at:—

Price: 101¼ and accrued interest, to yield 4.90%

W. C. Pitfield & Company, Limited
Wood, Gundy & Company Limited
Greenshields & Co Inc.
Société de Placements Incorporée

The statements contained in this advertisement are based upon information which we believe to be reliable, but are in no event to be construed as representations by us.

THE FINANCIAL POST
SECOND SECTION
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Confidence Returns Again In United States

Now Economically Sober, United States Seen Taking Middle of Road Course No Matter How Election Goes — Nearly All Lines of Business Reported Gaining — Canada as Big Customer and Neighbor is Interested

BY P. H. WHALEY

The United States has suddenly became economically sober.

The most significant thing in the country is not the statistical record of a recovery that is already well advanced, but rather the pronounced change in public mentality which has accompanied it.

Rehabilitation of confidence is distinctly the high note.

That means confidence in American economic methods and political institutions, both of which have been under very severe attack. At last the average citizen has begun to understand that abuses of the national economy, not the national economy itself, occasioned disaster. Therefore, he stands for reform and not for extinction.

Roosevelt in 1932

The great Roosevelt landslide of 1932 was a despair vote. Desperate men—and there were millions of them—were willing to take any chance. They were bankrupt, and knew it. They were quite willing to transfer the insolvency from their own shoulders to the public treasury if that would save them.

The more audacious Roosevelt was in spending money, the more they applauded him. They wanted action, and they got it.

At one period, not many months ago, 10,000 men a day were getting entirely out of debt to their banks. By one means or another they were acquiring solvency. A conservative is somebody who has something to conserve. Some millions of Americans who could not qualify as "Haves" in 1932, or even in 1934, can qualify now. They will not endorse various schemes for redistribution of the national wealth, whether it be the Townsend Plan or any other like it.

Roosevelt in 1936

This change does not necessarily forecast the defeat of Roosevelt next November. He has, himself, been caught in the psychological transmutation. Late in August he began to get a vision of the impracticability of his basic experiments. He began to appreciate, then, that he could not buy a recovery with $5 billions, or even with three times that amount. His lieutenants were not smart enough to find ways of spending the money in productive work. It was apparent that the cure for unemployment lay in production and in production only.

Moreover, by that time, the President had learned that the business disaster which he forecast as virtually inevitable in consequence of the Supreme Court having outlawed the N.R.A., was not going to happen. On the contrary, this unmanacling of the national economy was the one thing required to set it into operation again. The recovery began when codes and price-fixing were eliminated.

Away From Radicalism

Since September, the President has been repeatedly advised by some of his closest associates that the public thought is turning toward conservatism, and away from radicalism. He must make a change of front, they told him, and formulate new programmes on the basis of an economic convalescence rather than of an economic retrogression. Such advice was the genesis of the "breathing spell," under which the country has been making steady progress.

The quarterback play for the President, therefore, is to picture himself as a statesman who undertook audaciously radical measures when an overwhelming crisis so demanded, but who is now ready to follow his own preferences and restore orderly processes.

It is one thing for the President as a candidate to make a spectacular drive against big business and it is quite another for him to attune his active programme to the demands of business men almost everywhere that reform from now on be subordinated to recovery. He has no choice—he has to promise a balanced budget not distantly but in the near future. He must make a gesture in the direction of moderation.

Whether he can convince the country of his sincerity in so doing is a question but, in any case, Mr. Farley has constructed for him the most efficient political machine ever known in the United States.

Republican Chances

The Republicans, so far, have been unable to bring forward an outstanding candidate. Even so, the Republicans need an organization even more than they do a leader. They may be able to create one, for they will be amply financed and they have the nucleus of an organization in all parts of the country.

The Republicans, however, can lose the Presidency and yet justify their confidence that the era of disorderly or dictatorial government is over. They can do this by securing a substantial representation in the House of Representatives. That is the real battle ground. More effort will be spent for control of the Lower House than will be spent in the battle for the Presidency. It is conceivable that Mr. Roosevelt, because of a certain personal popularity, could be re-elected while, at the same time, a hostile House would be voted in.

Only a third of the Senate is elected in 1936 and the Democratic majority in that body is so overwhelming that a change in control there is outside the possibilities. But the Republicans could build up their Senate representation and hope to get actual control in the elections of 1938, provided that meantime they had been able to capture the House or to reduce the Democratic majority there to a mere nominal figure.

Return to Middle Course

Thus, there are two good reasons why business confidence is returning. One is the assurance that the Roosevelt administration itself will turn to the middle of the road, which is precisely what every previous radical movement in the United States has finally done. The radical Jeffersonians became the conservative property-owning class; so did the Jacksonians; so did Lincoln's own great Republican party. The second reason is the apparent assurance that conservative representation in the Lower House of the next Congress will be at least strong enough to exercise a veto power over any extravagant legislation.

Nothing could be more disastrous to the Republican party—and all who believe in moderate government—than the defeat of Roosevelt by a Bourbon. The number of those Americans who think that it is possible to move civilization back a decade and restore the Coolidge days is very small. Most of the great business leaders have been studying economics. They realize that there has to be an economic balance as between agriculture and industry—as well as among all factors of the economic equation—and they are not opposed to the government exercising a sort of supervision over business methods.

What American business wants is a President who can turn his eyes toward Heaven and yet keep his feet on the ground.

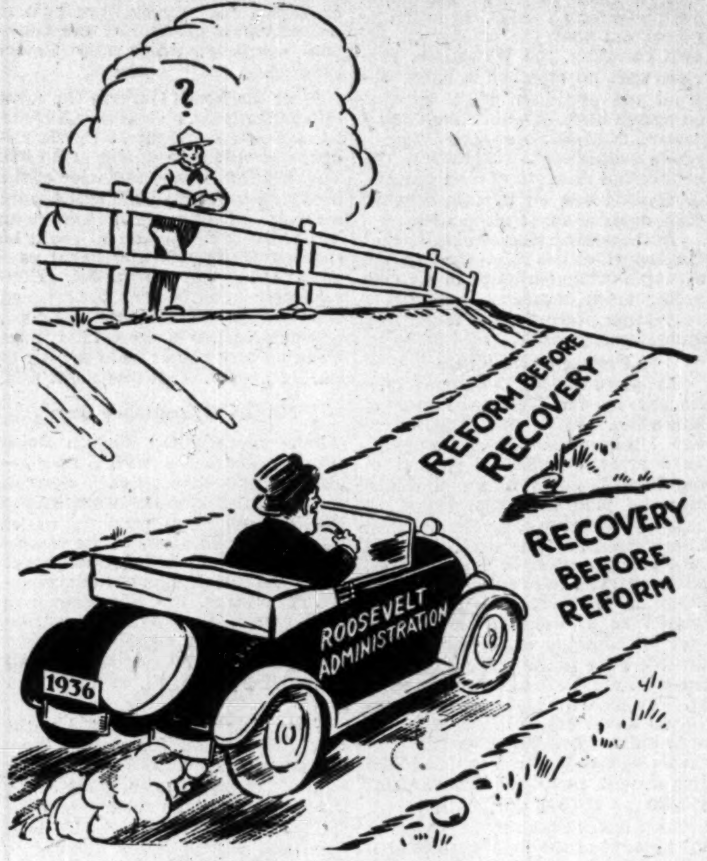
Financial Interests Not Usurious

It is a mistake, too, to think that all the financial elements are opposed to the peculiar financial ideas of the Roosevelt administration. So far, the commercial banks have been carrying the deficit occasioned by the huge borrowing and spending of the government. What Washington hopes to do is to fill the bank portfolios with commercial and mortgage paper, gradually taking out government securities. The banks are still to do the financing, but they are to do it for private industry rather than for the government direct. Rates will be kept exceptionally low by government pressure, exercised through such agencies as the Reconstruction Finance Corporation. In other words the inflation will be frozen into the banking structure.

Gold Flow

It so happens that the whole financial structure is already saturated with inflation. It is stated, for public consumption, that gold has come to the United States in such great volume because it is safer here than anywhere else. Recently, however, the Federal Reserve authorities admitted that the gold influx was occasioned by the attractiveness of American prices.

That is only another way of saying that the American exchange dollar is greatly undervalued. Since American prices have not yet adequately reflected the change in the gold content, the purchasing power of the dollar still being above par (1924-26 averages), 2 French francs now buy, in the United States, what 3 French francs bought before. Shares quoted in America at $12 cost a Frenchman only $8.



WILL HE SWING TO THE RIGHT?

That is why gold has been coming to the United States in such quantity, and it is why British and other investors have been transferring their capital here.

Inflation

As a result, following also an American premium price for world silver, the metallic holdings of the treasury, at this writing, are approximately $10 billions gold and $2 billions silver.

Ten billions gold would be sufficient cover, under the law, for $25 billions of Federal Reserve notes. Nobody assumes that any such quantity of currency will be issued, but the figures show how great the actual inflation is and how much greater it could be made. Nor does this take any account of the fact that the government debt is itself an inflation.

In these circumstances, with the excess reserves of member banks about $3 billions, which would justify a further expansion of bank credit in the enormous sum of $30 billions, many of the wisest bankers in the country have been insisting that some safeguarding measures be taken. As the Federal Reserve Banks hold in their portfolios virtually nothing but government securities, the sale of these securities, even gradually, in the open market, would be a decisively deflationary manoeuvre and could reduce the excess reserves to a manageable size.

The Banking Act of 1935 permits the board of governors to double reserve requirements. The new board of governors is to take office, as of February 1.

Bankers Divided

It is suddenly and rather dramatically revealed that some of the most powerful financial interests in New York, far from desiring even safeguarding gestures, insist that nothing whatever be done at this time, but that the inflation or reflation, whichever it be called, be permitted to soak much further into the private economy before seeking to regulate the movement.

Just after Mr. Aldrich, chairman of the Chase National Bank, had made a speech in Houston, Texas, nationally distributed, urging that reserve requirements be raised, S. Parker Gilbert, who is associated with the Morgan group, published a two-column letter in the New York "Times," wherein he took precisely the opposite view.

In support of Mr. Gilbert, the Guaranty Trust Company, promptly thereafter, declared:

"Now, for the first time, the prospect seems to present itself for some of the existing bank reserves to be used by private business. Under these conditions, it would be unfortunate, to say the least, if any method of credit control were adopted that was interpreted by the public as designed to restrain business expansion in its earlier stages."

Conservative With Eyes Open

Thus, an exceedingly important group in New York is supporting the thesis laid down by Chairman Marriners Eccles, of the Board of Governors of the Federal Reserve system, in his article in the Sphere, wherein he argued that, since there were as yet no evidences of expansion of bank credit to finance commerce, it would be foolish to take measures of protection.

The President has already announced that Chairman Eccles will be named as Chairman of the new Board of Governors, but there are some indications that there will be a fight. Some senators are so bold as to intimate that a confirmation may be denied him. That would be such a rebuff to the President personally that it should not occur. Besides, Mr. Eccles has given a very excellent account of himself and he is constantly amazed when he hears himself described as a radical, since he insists he has always been a conservative, but a conservative who kept his eyes open.

Cheap Credit

It is apparent, therefore, that cheap credit and plenty of it will be available for a long period to come, and it is clear that a tremendous amount of refunding will occur in 1936, as well as new financing. This will undoubtedly lead to a considerable expansion of bank credit. So, the financial position is in the way of being changed from one of stagnation to one of movement, which is only another way of saying that inflationary influences will make themselves felt more and more.

Also, in view of the fact that important financial groups advocate this method of recovery, it may be doubted if even a Republican President, if elected, would be much inclined to change the policy. Certainly, he would be very hesitant about doing so if the recovery, under existing tax laws, was yielding enough revenue to balance the budget. The test would be to what extent the higher cost of living was oppressive to city dwellers.

Sober Amendments

America is a business country, first last and all the time. It accepts radical programmes only when every other remedial method has failed. It is a country that believes in profit, and plenty of it. So, public opinion will sustain the Supreme Court, as that court in the epochal decisions it is now making, declares that, whether the objectives of the New Deal are good or bad, the methods of attainment must be changed to accord with the Constitution. Few believe that the Constitution will stand as it is forever, for there will be amendments to that instrument in the future just as there have been in the past, but the conservative aim is to have those amendments made soberly and not in a period of great stress.

Depression Causes Liquidated

It ought to be recognized that the causes of the depression have been fairly well liquidated. The mortgage situation has been underwritten and the necessitous selling of securities is over. There are still a few bad spots in the banking world, but they are not dangerous and can be taken care of, in the main, by the guarantee of deposits, as well as by the aid which has been afforded through the RFC.

The volume of deferred building and maintenance is extremely great. Some statisticians say that it will run to a minimum of $20 billions.

The American steel industry is being reconstructed. The railroad industry is going to have to spend billions to make operative the lessons it has learned from the motor industry.

Far from there being no opportunity for investment in the United States, the demand for capital funds is going to be very great over the next few years.

Progressive Convalescence

The picture, accordingly, is one of progressive convalescence in the economic world. To assume that a recovery of this character will not severely influence political decisions is simply to be obstinate and foolish. The Devil was a monk when sick, but not later, when able to get about. Senator Couzens had the right idea, back in 1928, when he said that it was useless to hope for radical or any other reform so long as the people thought they were prosperous.

Of course, while the recovery is based on such a sound foundation as deferred maintenance, with a consequent demand for goods of all kinds, it is also floating in a wholly artificial financial position. Nobody who knows anything at all will think it is sound to have the banks carrying almost half of the national debt, with that debt increasing by leaps and bounds. There are many flies in the ointment.

It must be remembered, however, on the other side, that a recovery tends to eliminate this unsoundness because, among other things, a recovery balances the budget.

The national economy is strong enough to absorb the inflationary government deficits already incurred; the task, therefore, is to decide when that absorption has been completed, and not go beyond it.

All in all, the near outlook is decidedly encouraging.

Speaks With Authority

What happens in the United States in this critical election year, will have a great influence on what will happen in Canadian business and finance. And so The Financial Post has sought to give its readers a clear picture of what's ahead for American business under the 1936 version of the New Deal.

The Post wanted the survey prepared by the most outstanding authority available. Finally, P. H. Whaley was invited to accept the assignment.

Head of the internationally famous Whaley-Eaton Service and editor of the Sphere, Mr. Whaley's contacts at Washington are intimate and his opinions are internationally accepted. The Whaley-Eaton Service provides once a week, a pithy survey of the relations of government and business in the U.S.A. Some embassies at Washington cable the reports in full to their foreign ministers. Another Whaley-Eaton service is a foreign letter based on cables from well-informed correspondents behind the scenes in all leading capitals of the world.

There is no one better qualified to present the American situation in its relation to the world than the head of Whaley-Eaton.

Bell Telephone Reports More Installations Made

From Our Own Correspondent

MONTREAL. — Improvement in business conditions last year found reflection in an increased demand for telephone service, according to a statement issued by C. F. Sise, president, the Bell Telephone Co. of Canada.

In the last quarter of 1935, installation of new stations turned definitely upward. The volume of telephone traffic as measured by local and long distance calls showed a corresponding rise, with indications of further increases in 1936.

The maximum number of telephones in service at any time during the Bell Telephone's history was 785,000 in December, 1930.

A study of telephone movement for somewhat over three years following that high point shows that there were 667,000 installations, 783,000 withdrawals, resulting in a net loss of 116,000 telephones at the end of July, 1934.

From the beginning of August, 1934, to the end of 1935, there were approximately 241,000 installations and 224,000 withdrawals, a gain of 17,000 telephones. At the end of 1935 the Bell Telephone had installed on its system 686,000 stations, compared with the high point of 785,000 reached in December, 1930.

Toll Traffic Increases

For the first half of last year the use of long distance telephone service on the Bell System was below 1934, but in the second half of the year, there was a substantial improvement. Indications are that this improvement will continue throughout 1936.

Reflecting the increased activity on the Bell Telephone system, wages and salaries paid workers in 1935 were $1.6 millions more than would have been paid had the 1933 wage discounts been continued.

Canada's Air Policy

Coast to Coast Overnight Mail Service by 1937 is Government Aim—Connect With Transatlantic Planes—Commercial Lines Push Development in Meantime

From Our Own Correspondent

OTTAWA.—A twenty-four hour mail service from Toronto and Montreal to London.

An overnight mail service from eastern cities to the cities of the four western provinces.

Eighteen months from now, under the impact of aviation developments to be engineered by the British, Irish Free States, Newfoundland, United States and Canadian governments, transatlantic and trans-Canada communications will undergo a miraculous shrinkage.

Europe for Week-ends

And in the not too distant future, passenger air travel will bring continental Europe within week-end return trip reach of eastern Canada and will convert the entire Dominion into a community bound, in terms of time, by a limit of 24 hours. It will be possible to leave Montreal or Toronto in the early evening and be at Winnipeg before daybreak, at Calgary for a late breakfast, or at the coast for dinner.

These are the realities, not visions, which lie behind the decisions reached at conferences between the four Empire governments mentioned at Ottawa recently and the talks between British and the United States representatives at Washington.

Schedules Arranged

Transatlantic and trans-Canadian airmail plans were integrated so that, governments consenting, the developments here, in Britain and in the U. S., will be run off on time table schedule.

The year 1937 will be historic in the annals of Empire communication. It had been hoped, until a few days ago, that Canada might be able to precede the larger innovation with her own transcontinental airmail service. But, for reasons that will be given, this has now been deemed impossible, and 1936 will be devoted to energetic work on landing fields, equipment and staff in Canada and to experimental work in the Old Country and the United States.

It is apparent that lines of communication through the air are being projected across maps on a scale which is breath-taking in its daring and its imponderable consequences.

What has been agreed to, subject to approval of the various governments, is this:

North Atlantic

1. The north Atlantic is to be spanned by British and U.S. airships. The ground and mechanical facilities will be open, equally, to both countries but there will not be any merging of interests. Both the British and the U.S. will have their own services, just as they now have their own steamship lines. Canada will go in with the British, but Canada's contribution will take the form of financial aid in an airmail subsidy.

2. The crossing in the summer months will be from Halifax across the northerly end of Newfoundland and thence to London. In winter months it will be from Portugal to the Azores to Bermuda and to one of the southern Atlantic ports.

Trans-Canada Route

3. The trans-Canada route will be followed by British mail destined for New Zealand and Australia. This mail will divert south from Vancouver to cross the Pacific on the new service instituted by U.S. aviation interests. In course of time it is regarded as certain that the route across the Pacific will lie from western Canada over Alaska and down the coast of Russia to Japan, India, etc.

So far as the north Atlantic crossing is concerned, the British and U.S. will develop their own ships. The U.S., undoubtedly will rely on a type similar to the China clippers which have been used with great success on the longer Pacific crossing. The British propose to do considerable experimenting next year and no final decision on the type of ship has yet been reached.

Ocean Planes

Photographs of a twin plane arrangement have been widely published. The British will try this experiment but if it fails there are other alternatives which promise success. It is recognized that one of the great difficulties about long distance flying is to get the plane into the air. It is necessary for these planes to carry a very heavy load of fuel and the take off frequently results in the machine receiving so many bumps that its efficiency is impaired. Hence the idea of having the long distance machine poised on the top of a larger one. The larger one will help to lift it off the surface and the two can part company when the necessary altitude has been attained. By the time the smaller ship has reached its destination, the fuel will have been consumed and there will be no extra hazard in bringing it to earth. Should this experiment fail, an alternative is to fuel the service plane in the air.

Across Canada in 1937

As for the trans-Canada airways, there is considerable disappointment at Ottawa due to the fact that it is impossible to launch the service in 1936. The western end of the airway from Winnipeg to the coast is practically complete and could be put into operation, if efficient operators could be obtained, on short notice.

The eastern end of the airway, however, is far from being completed. Work is being done on the scores of landing fields between Winnipeg and Halifax, but it will cost at least $2 millions to finish the ground work, light the fields and install the essential radio and beacon equipment. The airway, throughout, has been designed as a permanent top-notch proposition. There are emergency landing fields, which will be outlined by lights, every 25 or 30 miles. There are landing fields with hangar equipment at longer intervals of from 150 to 300 miles. As the machines to fly the route will possess a cruising speed of at least 150 miles per hour, it is obvious that pilots will at no time be caught out of reach of landing facilities.

But completion of the airway is but part of the problem of bringing it into operation. Specially trained radio operators are required, also specially trained meteorologists.

Routine work for Canadian commercial flyers. Mail accumulation on the wharf at Sioux Lookout in Northwestern Ontario being loaded into 'plane for Red Lake is shown in the lower picture. To the right and above is a 1,950-pound Diesel unit to power one of the new gold mills at a Manitoba mine. At the top is a new big transport added to the fleet of Canadian Airways. This machine has a storage room 21 feet long by five wide and six feet high. It is capable of carrying three tons of freight

These men are experts in their lines and must be specially trained for the work. It will require at least a year to assemble a personnel to operate the route. Incidentally the operation and maintenance of the airway will be the responsibility of the government.

What Companies?

Then there is the vexed question of the company to fly the mails. The recommendation which will be placed before the government, in this respect, will suggest that Canada follow the example of Britain, France, Germany and practically every leading country in the world. This will involve the merging of all the bona fide aviation companies now operating in Canada into one strong organization. Canada Airways Co. unquestionably will be the nucleus of this company, if it is formed. It is even possible that the government will enter the picture by purchase of some of the stock. This, however, was not done in Britain or the U.S.

For these reasons, the curtain will not go up on the transatlantic, trans-Canada airmail services until the summer of 1937. The date for the opening has been fixed, tentatively, for July 1—Dominion Day.

Commercial Development

In the meantime regular commercial aviation in Canada will carry on. Development may be accelerated somewhat in order to qualify for incorporation in any government scheme when that gets under way. But many flying authorities maintain that commercial development, especially in the north, has been incentive enough, to keep men and machines on their toes.

While Canada has lagged behind in transcontinental air lines there has been unusual development in the last decade in opening up the hinterland. Start north at almost any point from the last East and West railroad and the airplane comes immediately into the picture. Innumerable lakes and rivers furnish "landing" fields; pontoons when the water is open and skis when the ice forms hard. Traffic is almost continuous except for that period in the fall and spring, varying from a fortnight to six weeks when there is too much ice to permit pontoon landing and not enough to support skis.

Plane Versus Canoe

In the north the modern airplane is at no economic disadvantage because carrying costs either for passengers or freight have always been high. There is practically no cheap rail or steamboat route with which to compete. For centuries the cost of hauling freight has always been figured on a pound basis. Two or three dollars for transporting a 98-pound bag of flour 50 to 100 miles is not considered an out-of-the-way figure.

Dog train or canoe have never been able to furnish particularly cheap, safe or fast transportation. The airplane supplies all three. Time losing portages, tortuous meanderings, long hauls against turbulent river currents are obliterated. With only primitive modes of travel with which to compete sky routes to the north have had little difficulty in getting established.

From Edmonton to the new Lake Athabaska mining region is a distance of 450 miles as the crow flies. But by the old method of rail, canoe and river steamer it is fully twice this distance. A traveller used to consider himself fortunate to make the trip inside of a month. In a comfortable, heated cabin plane four hours sees one transported from Alberta's capital to the new camp.

Mining Development

In mining alone it is freely estimated that the airplane has speeded up development by at least ten years. God's Lake in Northern Manitoba offers a classic example. The original staker, Bob Jowsey, now president of God's Lake Gold Mines, flew into this remote area and in July, 1932, made his famed discovery. The site of this discovery is 120 miles, as the crow flies, from Ilford, on the Hudson Bay railroad. Had Jowsey had to depend on the land route to present his property to the world it would be doubtful if God's Lake Gold Mines would today be even approaching production. As it was, Jowsey had his backers on the property the following year, development work started, many supplies and much equipment were flown in, and three years after the strike was made, the property was in production, against a background of ample development.

This story may be duplicated in almost any mining camp across Canada.

Miscellaneous Freight

But carrying prospectors in and gold out is not the only job accomplished by 'planes.

Hardly a week passes without some dangerously sick or hurt northerner being rushed to a hospital. One hundred and four of such "mercy" flights were made in 1934 alone.

Miscellaneous freight varies from 1,950 pound engines to picture postcards.

Freight carried by air in Canada in 1934 amounted to 6,447 pounds or within 1,300 pounds of the total air freight for the whole British Empire. This comprised a wide range of products among the most important in point of value and tonnage being gold bricks, radium concentrate, fish (240,000 pounds in 1934) fresh groceries, fur and 72,000 pounds of mail, to isolated posts in 1934. While it is possible to journey as far north as the Arctic ocean the average flight and possibly the most profitable freight flight is one of about 100 miles.

Saskatchewan Geology

The Dominion Bureau of Statistics now has a connected account of the geology of South Saskatchewan in booklet form, to assist the driller, clayworker and coal prospector

Sees Wide Differences In Underwriting Figures For Life Firms in 1935

G. D. Finlayson Says Some Gains, Some Losses Will be Seen — A. H. Beaton and A. B. Wood Also Comment on Key Trends in Year's Business

Wide differences among life insurance companies as to the amount of new business written and the amount of insurance in force are forecast for 1935 by G. D. Finlayson, federal superintendent of insurance, in his annual review of insurance in Canada.

"Some companies," he says, "will show increased writings and increased amounts in force as compared with the year 1934, while others will show decreases in both items."

Total of $580 Millions

"The amount of new business written and paid for in cash will probably be in the neighborhood of $580 millions, compared with $595 millions in 1934, $578 millions in 1933, and $978 millions in the peak year of 1929. It is to be expected, however, that the business now being written will not be so fruitful of lapsation five years hence, as is now the business written five years ago, so that while the figures show a very large contraction in the volume of business it is believed that it is being produced on a more enduring foundation."

Mr. Beaton's Estimate

A few days earlier, A. H. Beaton, president of the Canadian Life Insurance Officers Association, and president and managing director, National Life Assurance Co., predicted life insurance companies would show $600 millions of new business written and paid for in cash in the past twelve months.

Mr. Beaton's estimate refers to all life insurance companies in Canada, including both those licensed under Mr. Finlayson's federal jurisdiction and those licensed provincially. It explains the difference between the two figures. New business written and paid for by both federal and provincial companies in 1934 was $608 millions.

Policy Loans Decline

Emphasis is placed by Mr. Beaton on the satisfactory decline in policy loans. "At the height of the depression—(1931)," says Mr. Beaton, "our policyholders borrowed $52.6 millions against their insurance savings. In 1934, such borrowings declined to $39.3 millions. I am confident for 1935 that emergency calls by policyholders against their policies will show another substantial reduction. Not only have loans decreased, repayments shown a steady advance —$33.7 millions in 1931; $44.8 millions in 1934. I call this significant and gratifying, not only for the policyholders and beneficiaries of life insurance, but for Canada as a whole."

Comparison With Relief

The significance of life insurance in meeting the emergency problems of the depression are also indicated by the year-end comment of Arthur B. Wood, president and managing director, Sun Life of Canada, who points out that the amount of money paid to Canadian policyholders during 1934 by life insurance companies operating in Canada was approximately $169 millions. "The magnitude of this is better appreciated," he says, "when one recalls that the total relief payment in Canada by the Dominion, the provinces and the municipalities combined during the whole period of the depression, has been estimated as averaging approximately $145 millions a year.

Mr. Finlayson's Comment

Reference was also made by Mr. Finlayson to the investment situation which prevailed in 1935 and on the important and unusual function which life companies hold as trustees for their clients. He said in part:

Security Values Unchanged

"The companies will probably neither gain nor lose substantially as a result of fluctuations in security values during the year.

"Most of the companies at the end of 1934 used market values in the valuation of all their securities and those market values have, in the aggregate, shown little variation during the current year. Companies still using specially authorized values will be similarly unaffected, but in the latter case no increase in dividends to policyholders or shareholders beyond the scale used in 1934 will be permitted.

"Life insurance companies are, of course, affected by the gradually decreasing rate of interest on high-grade securities and with the reinvestment of the proceeds of maturing securities carrying a comparatively high rate of interest in securities at prevailing rates there will be a tendency toward a continued decrease in the average rate of interest earned, although the rate earned in 1934 was not less than that in 1933.

Change in Investments

"This tendency will be accounted for in part by the gradually increasing proportion of the total funds of the companies invested in bonds of high grade and comparatively low yield. In 1929, life insurance companies had bond investments equal to about 31 per cent of their total assets, of which less than three per cent of the total assets were Dominion Government and six per cent other government bonds. In 1934 these percentages had increased to 37 per cent, seven per cent and 10 per cent, respectively.

"Real estate mortgages in 1929 represented 24 per cent of the total assets, of which six per cent of total assets were on farm property, while in 1934 these percentages had decreased to 17½ per cent, and 3½ per cent, respectively. Investments in stocks in the same period declined from 23 per cent to 19 per cent of the total assets. During the same five-year period the average yield on the mean ledger accounts of mortgages declined from 6.61 per cent in 1929 to 5.32 per cent in 1934; of bonds from 5.75 per cent to 4.90 per cent, and of stocks from 7.45 per cent to 3.31 per cent.

Loan Rates Lowered

"A proposal at the last session of Parliament to compulsorily reduce the rate of interest on loans on policies was withdrawn on the undertaking of the companies to voluntarily reduce the rate on all loans on policies in excess of six per cent per annum to that rate as from a date not later than January 1, 1936, and this undertaking is being observed to the letter by the companies. Only a small proportion of the total loans outstanding are affected since the great majority of loans already had been made at that rate.

Trustee Position

"The position of life insurance companies in respect of the investment of their funds is a unique one. In a strict sense, life insurance companies are not trustees. The legal relationship between company and policyholder is that of debtor and creditor under a contract made by the two parties. On the other hand, 85 per cent of life insurance reserves in Canada represent accumulations from participating policies under which dividends earned by the companies are very largely dependent upon the rate of interest earned on those funds.

"The administration of these surplus funds is governed by no binding contractual provisions. The dividends paid to policyholders are dependent, first, on the amount of profits earned and, secondly, on the proportion thereof which in the judgment of the directors of the company can be safely distributed; and in the administration of these surplus funds the position of the company is virtually that of a trustee morally bound to make the best return possible for its clients and with entire equity as between the various classes of clients. Under those circumstances the companies feel that they are not free agents in questions involving the relief of investment debtors.

"Their judgment, however, comes into play when the alternatives present themselves of a reduction in interest with increased security of principal or a continuance of a higher rate of interest with doubtful security of principal."

ORDINARY POLICY BY U.S. PRUDENTIAL ON MONTHLY PLAN

Industrial Agents to Sell New Contract on Debits

Last week, Prudential Insurance Co. of America commenced writing in Canada a new ordinary-industrial policy designed for those who can qualify for ordinary insurance from the underwriting standpoint, but who find it more convenient to pay premiums monthly.

The plan in short provides for an ordinary life insurance contract on standard plans, premiums for which will be collected monthly by an agent of the company, as is now the case with industrial insurance. The smallest policy will be for $1,000, and the maximum amount issued in a single policy will be such an amount as may be purchased by a monthly premium of not more than $9.99.

For Industrial Agents

Reason for this limit is that at the present time the company's ordinary insurance agents are selling a regular policy with a minimum monthly premium of $10. They will continue to sell this, but the new monthly debit plan will supplement this by providing the company's industrial agents with an ordinary life contract saleable up to a maximum amount of $10 monthly.

The contract will be written only on the binding-receipt basis—that is, the full first month's premium must be collected when the application is signed. The company says the premium rate for the present type of monthly premium regular ordinary policy will be increased as at the first of the year to correspond with the premium rate for the new policy plan. It is also stated that the company is discontinuing the acceptance of applications for its present intermediate monthly premium policy form.

In its place will be issued a new policy form to be known as the intermediate monthly premium industrial policy. The maximum amount issued in a single policy under this form will be $800 and not more than $800 in amount will be issued at one time.

Typical rates under the new plan show at age 45 a 20-year endowment will cost $4.78 monthly per $1,000 of insurance. An endowment at aged 85 will cost $3.31, and a 20-year payment life policy, $4.03.

Misrepresentation Charged By Wawanesa Mutual Manager

Claims Attempts to Discredit Mutuals and Non-tariff Companies — Submits Proposals for School Insurance

Misrepresentation by stock insurance companies to the detriment of the mutuals, and by the tariff companies to the detriment of the non-tariff are the charges made by Major Howell Smith, eastern Canada manager of the Wawanesa Mutual Insurance Co.

In a series of four radio addresses, Major Smith claimed that representatives of the tariff companies foster the impression that members of the Underwriters' Association are stronger companies and that the Association backs each member financially. This he contends to be absolutely untrue, pointing to the fact that some tariff companies have been forced to reinsure and that others have had their licenses cancelled.

Claims Unfair Presentation

A recent printed statement to the effect that 1,700 mutuals, reciprocals and Lloyd's exchanges had gone out of business in North America he regards as an attempt to discredit the mutuals. It is claimed that mutuals were mixed with the others to confuse the issue.

Actually, he contends, mortality among stock companies has been more than double that of the mutuals on this continent, and the percentage of stock company failures to mutuals is even greater in Canada. Both loss and expense experience of mutuals in this country, Major Smith states, have been better than those of stock companies. "They have built up their large reserves," he says, "not by charging higher rates, but by charging lower rates and by careful underwriting and economical administration, as against careless underwriting and extravagant administration by some of the other companies."

Advertising Criticized

Advertising of some of the British and foreign companies also is the subject of some criticism. "Misleading to the public," and "unfair to Canadian companies," he dubs advertised claims of these firms that assets exceed, say, $50 millions. Such statements, he believes, convey the idea that the whole of the amount is behind policies issued in Canada, whereas only a portion actually applies.

The radio addresses were made in advancing a bid for a part of the school fire insurance carried by the Toronto Board of Education. The Board, Major Smith states, is at present paying the maximum rate for this insurance, tariff rates being paid to non-tariff and mutual companies.

A report on the entire coverage of the Board was made some time ago by the Insurance Conference of Toronto, an organization of agents. This report is termed "in some respects a good one if they had stuck to facts," but Major Smith feels that it is open to criticism on two points.

Attack on Mutuals

First, he claims that it attacks mutual companies, indicating that policyholders in these companies are liable for all debts. In reply, he points out that the charter of his own company, the Wawanesa, provides that no member is liable beyond the premium when insuring on a cash basis. There is a standing reward of $1,000 to anyone who can prove otherwise. Moreover, he claims that reserves of cash mutuals in Canada are on average greater than those of stock companies.

In the second place, he states that the report claims that most of the manufacturing concerns in Canada prefer stock insurance, whereas a very large percentage is carried by mutual companies.

Pooling of Insurance

In place of the insurance now carried by the Toronto Board of Education, Major Smith advances two alternatives. If his company were given a sufficient portion of the total business it would duplicate the plan of school insurance now in effect in western Canada. There, the school business is grouped in a pool by itself at certain rates. After charges, the remainder of the premium is returned to the school boards as a dividend. He claims that introduction of this scheme in the West led to the cutting of tariff rates on rural schools from $1.50 to $1. The plan in western Canada involves about $12 millions of insurance on nearly 6,000 schools.

The second proposal is that if the Board will carry the first $10,000, $15,000 or $25,000 of the first loss, a much lower rate will be given. If the amount of the first loss which it will carry is sufficiently large, the present rate will be halved. The company is said to be willing to carry the business at cost.

It is explained that under any plan by which the Wawanesa would be given a portion of the business, the policies would be reinsured with London Lloyd's.

Central Rating Bureau

Major Smith sees a government rating bureau, to which all companies, tariff and non-tariff, would contribute, as the solution of the rating problem in Canada. The present rate structure of the Underwriters' Association is not based on actual experience of the various classes of risk, he claims, whereas it would be under a central bureau.

ORDER PROVIDENT TO REMIT $32,695 TO GERMAN FIRM

But Actual Outlay by Company May be Only $12,695

The Provident Assurance Co. has been ordered to pay $32,695 to the Munich Reinsurance Co., of Germany, on account of an unpaid balance owing to the bankrupt South German Reinsurance Co. The decision, which was handed down in Quebec Superior Court last week, may involve actual payment by the Provident of only $12,695, however, as $20,000 has already been paid to an individual creditor of the bankrupt company, which may be recovered.

After the South German Co. went into bankruptcy, an individual creditor brought suit against the Provident and won a judgment of $27,635. This creditor, a representative of the bankrupt company, conferred with officials of the Provident who claimed that the judgment could be successfully contested and that payment could not be forced. Consequently an agreement was reached whereby R. Schultz, the creditor, was paid $20,000 of the $27,635 judgment, and both sides were willing to end the matter. That was about 1932.

Munich Reinsurance Sues

More recently the Munich Reinsurance Company, which had acquired rights of the South German company, instituted action against the Provident on the grounds that under German law all assets of the insolvency, no matter where located, come under the jurisdiction of the liquidator. Therefore, the Provident had paid money illegally to a person having no legal right to it. And consequently, the amount would have to be paid again to the proper persons.

This view was upheld by the court, which also found that there had been collusion and fraud in obtaining the previous judgment. The Provident will thus have to pay the full amount of $32,695 to the German firm, and will probably attempt to recover the $20,000 paid to Schultz, if necessary through the courts.

Workmen's Compensation Risks

While the Provident had reinsured some fire policies through the South German Reinsurance Co., most of the risks were on account of workmen's compensation insurance of Quebec province. It is understood that the Quebec government required that the company could not pay more than 7½ per cent commission to its agents on this type of business. A percentage of the business was reinsured with the South German at 40 per cent commission. It is believed that the Provident made very large profits from this business.

HOROSCOPE!

Today will be a profitable day for all who invest in Sun Life Policies.

Their health will be better because their minds will be free from unnecessary anxiety as to the future.

Married men will be particularly fortunate if they take advantage of the newest Sun Life plan "FAMILY PROTECTION & RETIREMENT POLICY" which is a complete programme in one policy.

Bachelors need not despair, however. There are attractive Retirement Income plans available which will enable them to get more pleasure out of life now, happy in the knowledge that when they are ready to retire a guaranteed income will be waiting for them.

Today is the best day to invest in a Sun Life Policy.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE: MONTREAL

Prudential, Eng. New Insurance Up 10 Per Cent

An increase of almost 10 per cent in new business issued and placed by Prudential of England in Canada during 1935 is reported by that company. New Canadian business through the company's six branch offices exceeded $4.9 millions compared with $4.5 millions in 1934.

New business in force in Canada showed a gain of 32 per cent, added to which the company reports a substantial increase in purchase money received in respect of annuities. Total Canadian business in force at the end of 1934 (net amount including group business) was $11.5 millions.

The Prudential also announces a 10 per cent gain in total ordinary business written throughout the world in 1935. Ordinary business totalled $139 millions a gain of $20 millions over the 1934 total. This is exclusive of group, foreign treaty business or reassurance. In the same period annuity purchase money exceeded $11.5 millions. These figures, it is stated, constitute a new record for the company.

All computations are figured on the basis of $5 to the pound sterling.

INSURANCES
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London Market

We offer the facilities of the London Insurance Market to responsible Brokers and Agents throughout Canada on the following lines:

Fire — Automobile — Atlantic, Pacific and Churchill Marine—St. Lawrence and Great Lakes Marine — Inland Transportation — Municipal Liability —Special War Covers—Public Liability—Burglary—Riots—Sprinkler Leakage—Use and Occupancy — Rents — Windstorm — General Accident — General Fidelity — Accountants and Solicitors Indemnity — Brokers and Bankers Bonds — Cash in Transit — Miscellaneous.

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Prompt Settlements

A Hint to Insurance Brokers:—Business Executives now know that most covers are improved when "LLOYD'S" carry part of the schedule.

ANGLO-CANADIAN UNDERWRITERS
LIMITED
320 Bay Street, Toronto
Business Organised in 1901
Insurances at Lloyd's since 1925
Incorporated January, 1935

Chairman Robt. H. Cook
Underwriter Edwin T. Cutts

Life Company Shareholders, 9.

Crown Life

Controlling Interest Held by Somers Family — Varying Amounts Paid Up

Almost exactly 50 per cent of the outstanding shares of Crown Life Insurance Co. are held by the estate of the late G. T. Somers, former president of the company. Including shares held by other members of the Somers family, over 56 per cent of total shares outstanding are held by this connection.

As with other companies, the small stake of shareholders in relation to the total assets held by the company as trustees for their policyholders is shown by the fact that the amount paid in cash by shareholders totals but $230,000, as compared with total assets at the end of 1934 of over $21 millions.

Shareholder Directors

Apart from the Somers family, one of the chief shareholders is H. R. Stephenson, general manager, who has in all some 389 shares. There are only five shareholder directors of the company—namely, G. O. Somers, now living in Pasadena, California, 240 shares; H. R. Stephenson, general manager, 389 shares; C. W. Somers (vice-president), 73 shares; H. D. Burns, 44 shares; and G. A. Morson, Havana, Cuba, 25 shares.

Another important holding is that of Margaret E. Kent, wife of John D. Kent, former vice-president of the company, who holds 627 shares.

Different Amounts Outstanding

A feature of the stock distribution is the fact that the company's shares are divided according to the amount paid up. Out of 5,525 shares outstanding, 4,778 are 40 per cent paid up, and the remaining 747 shares range from 42 to 100 per cent paid up.

A detailed list of shareholders as at the last date for which official information is available (Dec. 31, 1933) follows:

Name and Address	No. of Shares
(a) 40% Paid-up Stock	
Ainley, Norman, Toronto	10
Aitken, W. R., Charlottetown, P.E.I.	7
Allison, Est. of J. Walter, Halifax, N.S.	10
Andrews, Miss I. Eva, Wolfville, N.S.	21
Barker, Egbert P., Schreiber, Ont.	5
Barnard, G. H. & Wolfenden, A. R., Victoria, B.C.	9
Beck, W. F., Penetanguishene, Ont.	12
Beer, Edgar G., St. Stephen, N.B.	5
Black, W. C., Calgary, Alta.	5
Bowers, E. C. (Estate), Halifax, N.S.	3
Brown, Brenton S., Vancouver, B.C.	60
Brown, E. J. S., Toronto	7
Burgess, Miss Annie, Pasadena, Cal.	100
Burns, Herbert D., Toronto	24
Burns, Mrs. Marguerite, Toronto	4
Calkin, Hugh E., Wolfville, N.S.	2
Carreau, John, Montreal	5
Cawthra, H. Victor (Est.), Toronto	25
Champion, William E., Charlottetown, P.E.I.	5
Clare, George A. (Est.), Preston	2
Chandler, Charles H., Charlottetown, P.E.I.	2
Coffin, Miss Florence B., Charlottetown, P.E.I.	2
Connor, T. E., Toronto	7
Creelman, Mrs. Lenora H., Vancouver, B.C.	1
Culver, Charles W., Simcoe	5
Delamere, Dr. H. D., Toronto	10
Dillon, Edna Munsey (Mrs.), New York, N.Y.	42
Drewry, E. L., Winnipeg, Man.	25
Ellis, Charles G., Brantford, Ont.	42
Ellis, Edward H., Toronto	42
Ellis, Fitzallen M., Toronto	42
Fairbanks, Mrs. M. M., Windsor, N.S.	2
Fennell, Mrs. Bertha G., West Medford, Mass.	1
Fowler, Ethyl G. (Mrs.), Sussex, N.B.	1
Ganong, Mrs. Maria F., St. Shephen, N.B.	25
Guest, Mrs. A. G., Amherst, N.S.	21
Harris, Thomas B., St. John's, Nfld.	5
Hazard, Hon. F. L., Charlottetown, P.E.I.	5
Henderson, David G., Weston, Ont.	1
Hickler, John H., Sault Ste. Marie, Mich.	4
Hill, Frederick W., Toronto	30
Holborrow, Mrs. E. S. (Eastern Trust Co.), Halifax, N.S.	3
Hooper, B. R., London, Ont.	19
Ings, A. Ernest, Charlottetown, P.E.I.	2
Johnson, Mrs. E. W., Calgary, Alta.	1
Johnson, Sydney M., Muskoka, Ont.	2
Jones, Mrs. K. B., Charlottetown, P.E.I.	5
Kearney, Mrs. Anna, St. John's, Nfld.	5
Kent, Margaret E., Toronto	627
Ker, Mrs. L. A., Victoria, B.C.	25
Kerfoot, W. J., Los Angeles, Calif.	1
Knight, R. H., Sault Ste. Marie, Ont.	7
Lawson, H. R., Toronto	5
Mackay, Rev. J. S., Truro, N.S.	5
Manchee, Miss E. M., Toronto	5
Mara, John L., Victoria, B.C.	8
Marks, Mrs. Zella Mary, Toronto	18
Meredith, Mrs. F. E., Boston, Mass.	2
Moore, John J., Brooklin, Ont.	12
Morris, Mrs. E. A., Halifax, N.S.	2
Morson, George A., Havana, Cuba	25
Murray, John, Springhill, N.S.	2
Murray, W. H., Springhill, N.S.	2
McCorkell, Mrs. Cecilia, Beaverton, Ont.	5
McGill, R. S. (Estate), Toronto	5
McKinnon, Mrs. Emma C., Springhill, N.S.	5
McNealy, Murray, Montreal, Que.	5
McNutt, S. C. (Estate), New Glasgow, N.S.	2
Peet, Geo. L., Calgary, Alta.	5
Plunkett, T. H., Toronto	5
Proudfoot, Wm. (Estate), Toronto	2
Rainville, Hon. H. B., K.C., Montreal	50
Ree, Mrs. Eleanor Co., Vancouver	1
Roberts, M. F. & J. H., Cobourg	25
Roome, W. R., London	3
Seller, F. H. (Estate), Charlottetown, P.E.I.	2
Shaw, H. H., Charlottetown, P.E.I.	1
Sinclair, D. G. C., New York, N.Y.	5
Sinclair, Dr. D. J., Woodstock	1
Skinner, Catherine Ida (Mrs.), Toronto	9
Smith, Mrs. Jessie Gurd, Toronto	2
Soley, Jas. D., Springhill, N.S.	10
Somers, C. W., Toronto	71
Somers, G. O., Pasadena, Calif.	240
Somers, G. T. (Estate), Toronto	2,468
Somers, Geoffrey T., Toronto	14
Stephenson, Mrs. H. M., Toronto	4
Stephenson, H. R., Toronto	271
Stevens, John S., Toronto	12
Stevens, Mary E., Toronto	3
Stewart, W. D., Toronto	12
Tufts, Miss Hilda A., Wolfville, N.S.	23
Tufts, Dr. H. E., Wolfville, N.S.	21
Tufts, R. W., Wolfville, N.S.	23
Tupper, J. Stewart (Estate), Winnipeg	7
Turner, Mrs. Fannie B., Charlottetown, P.E.I.	5
Univ. of King's College Board of Governors, Halifax, N.S.	2
Walkington, W. A., Toronto	2
Webster, C. A., M.D., Yarmouth, N.S.	2
Weeks, W. A. (Estate), Charlottetown, P.E.I.	5
Wilson, Chas. E. & Jos. E., Victoria, B.C.	12
Wilson, D. H., Estate, Vancouver, B.C.	13
Withers, Emma H., Estate, St. John's, Nfld.	5
Wright, Letitia A., West Medford, Mass.	1
Zealand, Mrs. Minnie M., Burlington, Ont.	4
(b) 42% Paid-up	
Burns, Herbert D., Toronto	20
Macdonald, W. R., Toronto	38,
Somers, G. T. (Estate), Toronto	18
(c) 45% Paid-up	
Ellis, Charles G., Brantford, Ont.	4
Ellis, Edward H., Toronto	5
Ellis, Fitzallen M., Toronto	4
Smith, Dr. P. St. C., Toronto	2
Somers, C. W., Toronto	1
Somers, G. T. (Estate), Toronto	25
(d) 50% Paid-up	
Andrews, Miss L. Eva, Wolfville, N.S.	6
Barker, Florence I., Hamilton, Ont.	6
Brown, E. J. S., Toronto	3
Brown, E. J. S. (in trust), Toronto	2
Browne, Mrs. E. C. Graham, Montreal	12
Connor, T. E., Toronto	10
Dillon, Edna Munsey, New York, N.Y.	6
Elliott, T. (Estate), Lambton Mills, Ont.	5
Guest, Mrs. A. G., Amherst, N.S.	6
Hill, Frederick W., Toronto	14
Hodgins, Mr. Justice (Estate), Toronto	25
Jenkins, Dr. S. R., Charlottetown, P.E.I.	2
German, G. A., Toronto	6
Johnson, H. D., Charlottetown, P.E.I.	1
Kaulback, Jas. A. (Estate), Halifax, N.S.	12
Kitt, Dr. Allan N., Sprucedale, Ont.	13
Marks, Mrs. Zella Mary, Toronto	1
McCorkell, Mrs. Cecilia, Beaverton, Ont.	10
McKnight, Andrew (Estate), Simcoe, Ont.	5
Pelletier, Hon. Louis, Quebec	2
Somers, G. T. (Estate), Toronto	227
Stephenson, H. R., Toronto	110
Stevens, John S., Toronto	16
Stevens, Mary E., Toronto	2
Stewart, W. D., Toronto	5
Tufts, Miss Hilda A., Wolfville, N.S.	17
Tufts, Dr. H. F., Wolfville, N.S.	7
Tufts, R. W., Wolfville, N.S.	6
(e) 55% Paid-up	
The Royal Trust Co., Quebec	5
(f) 56% Paid-up	
Stephenson, H. R., Toronto	5
White, Mrs. L. M., Toronto	5
(g) 60% Paid-up	
Somers, C. W., Toronto	1
Somers, G. T. (Estate), Toronto	27
(h) 70% Paid-up	
Marks, Mrs. Zella Mary, Toronto	2
(i) 75% Paid-up	
Cameron, J. G., Nelson, B.C.	5
(j) 80% Paid-up	
Marks, Mrs. Zella Mary, Toronto	1
Somers, G. T. (Estate), Toronto	1
(k) 100% Paid-up	
Bingey, Hubert L., Halifax, N.S.	2
Edwards, Mrs. Isabel, Halifax, N.S.	3
Hutchings, Rev. Robt. F., Verdun, Montreal	1
Kent, Margaret E., Toronto	4
Price, Alfred (Estate), Westmount, Quebec	5
Prowse, Wm. H., Charlottetown, P.E.I.	6
Schurman, Chesley E., Toronto	1
Somers, G. T. (Estate), Toronto	4
Stephenson, H. R., Toronto	3
The Sterling Trusts Corp. (in trust), Toronto	2

War Insurance Cost is Slashed On Marine Risks

War insurance rates quoted by the Canadian War Risk Committee have been slashed in two marine classifications. Following the cuts announced earlier by Lloyds, the rate on shipments to or from the Mediterranean or Red Sea was reduced from 25 cents per cent to 16 2/3 cents per cent. That on shipments from the Mediterranean or Red Sea east of Marseilles or Bono have also been cut, from 17½ to 12½ cents per cent. Other quotations are unchanged.

The new rates are exactly the same as the revised Lloyds rates and are lower than those quoted in the United States. The latter have also been revised downward recently. Rates quoted do not apply to shipments made on Italian ships or on ships calling at Italy.

The reductions reflect the belief that trouble in the Mediterranean zone is less expected.

Insurance Inklings

S. PEACOCK has been elected president of the Life Underwriters' Association of Lethbridge, Alta.

GORDON BUTLER, has been elected president of the Life Underwriters' Association of Guelph for 1936. Lewis Winnell was elected vice-president.

W. GRIERSON has been elected president of the Moose Jaw Life Underwriters' Association. R. Atkinson was elected vice-president.

M. A. DE GOUMOIS, Quebec City manager of the Canada Life Assurance Co., has been named president of the Life Underwriters' Association of Quebec.

J. D. SCHWEITZER, district manager of the Monarch Life, has been elected president of the Life Underwriters' Association of St. Thomas, Ont.

G. R. MILLS of the Confederation Life has been elected president of the Life Underwriters' Association of Saskatoon. A. J. Irving was elected first vice-president.

Estimate Fire Loss Ratio Below 40 Per Cent in 1935

Small Increase in Premium and Record Low Losses Anticipated — Automobile Insurance Less Favorable

Insurance officials believe that 1935 was an exceptionally good year for fire companies. In his customary year-end summary of the year's developments, G. D. Finlayson, Dominion superintendent of insurance states that the continued low rate of fire loss resulted in a loss ratio "substantially below that of 1934, and also very much below the average for the last 65 years."

Forty Per Cent Loss Ratio

Company men consulted by The Financial Post were rather more conservative in their estimate, placing loss ratio for the year slightly under forty per cent. In 1934, the ratio of losses to premiums written of $42.7 millions was 40.9 per cent. Consequently, the 1935 figure may not be so far below the preceding year as some believed earlier. However, as Mr. Finlayson points out, the result of the low losses in 1935 will be a substantial underwriting profit, notwithstanding a gradual increase in expense ratio due to the lower volume of premiums compared with five or ten years ago. Loss ratios improved during the year in practically all classifications, it is reported, although lumber risks are still unprofitable.

Outlook For 1936

The outlook for business this year has not appreciably changed. Some feel that the downward trend of losses has reached rock bottom, and that, influenced by improving business conditions and increasing property values, a movement in the opposite direction is indicated. It is felt, however, that there is a good possibility of additional premium income as business continues to pick up.

Because of the uncertainty as to losses, and also because many feel that fire insurance rates have already dropped sufficiently to allow for the improved loss ratio, there appears to be no immediate prospect of a further cut in rates. However, to quote Mr. Finlayson, "With a continuance of the present favorable experience, further reductions are to be expected."

Automobile Business

Automobile insurers were not as fortunate. An increasing number of accidents and claims, legitimate and otherwise, is expected to bring losses at least to the 1934 level and possibly slightly in excess of that figure. At the same time, the volume of premiums written declined, the consensus of opinion being that it will be about ten per cent under the 1934 amount.

The increased number of accidents was not unexpected. Greater prosperity, carrying in its wake more automobiles on the road, was expected to bring more accidents. Underwriters are not optimistic over the chances of bringing down the number of claims in 1936 for this very reason. During 1935, personal injury claims rose both in number and in the amount asked. From these it is hoped to extract as many as possible which give evidence of collusion between the policyholder and a third party claimant.

See More Business

Some companies are looking for a greater volume of business this year. The decrease last year is considered to have been caused by, both rate concessions and smaller amounts purchased by automobile owners. The switch in the introduction of the new motor models from spring to fall has not aided underwriters as much as was expected. Most of the sales of new cars, it is explained, have involved trade-in of old models and mean only a transfer of insurance.

Rate prospects for automobile insurance in view of the loss experience, are important. Competition from Lloyd's will probably be a powerful factor motivating against an increase. Yet some feel that higher rates are essential. The matter is at present under consideration and a decision is expected shortly.

Hanging over both classes of business is uncertainty as to the future of the recently established Canadian Underwriters' Association. Whether enforcement of the now famous "in-one-in-all" and "non-intercourse" rules can really be made effective is still undecided. Meanwhile rumors persist that all is not as it could be within the Association itself, with some members being on the verge of withdrawing.

Sharp Drop in Policy Loans Revealed by Ottawa Figures

New policy loans made by Canadian life insurance companies in the first half of 1935 were the smallest for any six months period since 1929, according to figures prepared by G. D. Finlayson, federal superintendent of insurance.

The total of $37.9 millions compares with $43 millions in the same period of 1934 and a peak of $62.5 millions in the first half of 1932.

Repayments Higher

Another encouraging sign is that policy loan repayments (prior to the termination of the policy) were higher in the first six months of 1935 than at any time since these figures were first compiled. The total for repayments to Canadian companies is reported by Mr. Finlayson at $18.4 millions compared with a previous high mark of $18.2 millions in the last half of 1933 and with repayments of but $16.8 millions in the first half of 1934.

Policy loan repayments by surrender of the policy, though still high show considerable improvement over the two previous years. For the first half of 1935 the figure is $23.9 millions compared with $28.2 millions in the same period of 1934 and a peak figure of $30.8 millions during the first half of 1933.

$244,700,000 Outstanding

Total policy loans outstanding in Canada at the end of 1934 amounted to $244.7 millions a decline of $3 millions from the corresponding figure of the previous year. This represents 20 per cent of total reserves of the companies. Of this total, loans by Canadian companies were $179 millions (22 per cent of reserves) and the remainder ($65.8 millions) loans by British and foreign companies.

In addition to these loans to Canadian policyholders, Canadian companies at the end of 1934 were also reported to have an additional $105.5 millions loaned to policyholders outside Canada. This is but 15 per cent of the reserves against these contracts.

United States
Fidelity & Guaranty
Company
TORONTO

THE
MONARCH LIFE
ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE - WINNIPEG
Splendid Agency Opportunities Available

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Total Benefits paid $125,000,000
Independent Order of Foresters
FRANK E. HAND Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

FIRE AUTOMOBILE
Assets Over $7,600,000

MARINE CASUALTY
Losses Paid Since Organization of Company in 1851 over $117,000,000

ESTABLISHED A.D. 1851

IN TRUST SINCE 1851

WESTERN
ASSURANCE
COMPANY
HEAD OFFICE - TORONTO

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON

BRANCH OFFICES
TORONTO
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OTTAWA
VANCOUVER
VICTORIA
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SASKATOON
WINNIPEG
MONTREAL
QUEBEC CITY
ST. JOHN
HALIFAX

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $5,183,603.19

ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20%. TO 30% ON RENEWALS

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
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Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

National Light

Will you kindly give me a brief review of the position of National Light & Power Co. six per cent bonds, due 1949?

The bonds constitute a first mortgage on the properties of National Light & Power Co. which owns and operates the electric light and power system of Moose Jaw. In the first nine months of 1935, the company earned bond interest after depreciation 1.6 times, compared with 1.63 times in the first nine months of 1934.

Throughout the depression the company has been able to cover its first mortgage interest by a satisfactory margin but may not have allowed sufficient depreciation. The amount of the bonds outstanding is $2 millions, some $250,000 of the issue having been bought in. The properties are valued at slightly over $3 millions.

Brazilian Traction

What is the reason for nonpayment of dividends by Brazilian Traction?

Brazilian Traction has shown excellent earnings throughout its history. The difficulty is that the company has to pay its dividends in other currencies than that of Brazil. Brazil's currency has depreciated. The country has not got its international trade in a position where the currency is dependable. Brazilian government authorities prevent payment of dividends abroad by a company of this kind because such payment would take foreign funds which the government requires for its own business.

The right of Brazilian Traction to increase charges for its services on the basis of the greatly increased value of gold in terms of Brazilian currency has been removed. Consequently, the company's rate structures within Brazil have to be rewritten. This is a critical period which may only come to an end with revival of international prosperity.

Standard Steel Pfd.

Several years ago, I paid nearly $4,600 for 100 shares of Standard Steel Construction Co. preferred stock. No dividend has been paid since 1933. I understand the company has sold out to U. S. Steel. What is the present value of my Standard Steel preferred, and what are the future prospects?

Control of the common stock of Standard Steel has been acquired by the United Steel Corp., which is entirely different from United States Steel. Preferred shares of Standard Steel are listed on the Toronto Stock Exchange and are quoted 20 bid, 24 asked.

Although Standard Steel is controlled by United Steel Corp., earnings of Standard Steel first apply to its own preferred shares. In 1934, earnings amounted to $4,243 after all charges, equivalent to 43 cents on each preferred share. We understand that there has been some improvement in 1935. It does not appear probable, however, that full preferred dividends will be resumed in the near future. The longer-term prospects of Standard Steel are dependent largely on further revival in the construction industry. The company's working capital has been well maintained, amounting last year to some $25 on each of the 9,790 class A preferred shares, so that the company is capable of passing on to shareholders any substantial improvement in the steel construction industry.

Crow's Nest Pass Coal

What is the outlook for Crow's Nest Pass Coal Co? Is there any market for the company's stock?

Crow's Nest Pass Coal has a strong working capital position and in recent years has experienced an improvement in earnings. Working capital at the end of 1934 amounted to $1.4 millions. At that time the company had over $1 million in cash, bonds and securities.

Earnings of the company have shown steady improvement in recent years and in 1934 amounted to $3.86 per share as compared with $1.71 per share in 1933. If the demand for coal in western Canada revives, the company's earnings will show further improvement. The whole B.C. coal industry has been rather in the doldrums in recent years because of the increase in the use of fuel oil for heating purposes and for power. This situation has naturally affected the company's position. A substantial portion of the company's output is purchased by the railways. With railway traffic in western Canada on the increase, sales should rise.

During the past five years the company has made substantial disbursements to shareholders on capital account, drawing on its depreciation and depletion reserve. For the years 1931 to 1934 inclusive, disbursements amounted to $17 per share as against actual earnings of $6.60 a share. Dividends for 1934 totalled $6 a share and $4 a share was paid in 1935. With large liquid resources the company can continue to make disbursements in excess of earnings for some time.

The company's stock is listed on the Toronto Stock Exchange and is currently quoted at about 28 bid.

Avon River Power

Will you please tell me how Avon River Power bonds are regarded as an investment? Are the bonds guaranteed by Nova Scotia Light and Power Co., and is bond interest earned?

Avon River Power Co. is a subsidiary of Nova Scotia Light and Power Co. The latter does not assume any obligations in respect to Avon River's funded debt.

Avon River has outstanding $1,690,000 of bonds, against fixed assets for rate-making purposes of around $2.4 millions. During 1934 the company had available $192,354 to meet bond interest, depreciation and income tax. The company's report shows that earnings have been maintained at or around this level during the past three or four years. Even after allowing for depreciation and income tax, the company would have no difficulty in meeting its bond interest requirements on the basis of returns from 1931 to 1934.

Canada Cement

Please let me know how Canada Cement Co. is getting along and if there is any immediate prospect of a dividend on the preferred stock?

Canada Cement Co.'s past record has been favorable. Since the depression started, however, the volume of business available to the company has been sub-normal. While major economies have been put into effect by the management, revenues in the last two or three years have been sufficient only to cover bond interest and depreciation. The amount available for distribution on the preferred stock has been little or nothing. There is nothing in the situation to warrant the belief that dividends will be resumed in the near future.

Dominion Coal

Would you please let me have your views on the preferred stock of Dominion Coal Co. as an investment? In view of the high yield I am wondering what is wrong with the stock.

Dominion Coal Co. has recorded substantial recovery in earnings in the last three years, with the result that the new preferred stock is on a dividend-paying basis. Part of this improvement must be attributed to the subvention given by the Dominion government to the Maritime coal industry. On the other hand, the company has been successful in enlarging the market for its products. The combination of these two factors has brought about a marked increase in production and in operating profits.

The fact that Dominion Coal preferred stock, at 15½, is selling at a discount from its $25 par value is indicative of the speculative risk attached. While the showing in the last two years has been good, it must be recognized that prior to that time the company had a number of bad years. It is this instability of earnings which has detracted from the investment merit of the stock. As far as current earnings are concerned, it is our understanding that income for 1935 is expected to be somewhat less than in 1934, but still more than ample to take care of the dividend on the preferred stock.

Hiram Walker

What is the present position of the preferred stock of Hiram Walker-Gooderham & Worts? What are the prospects of the company for the future?

Actual earnings of Hiram Walker-Gooderham & Worts in the fiscal year ended August 31, 1935, amounted to $6.87 a share on the preference stock and in the preceding year to $7.30 a share.

This excellent record is due to the repeal of dry laws in United States at the end of 1933. In 1932 and 1933 earnings on preference shares were 41 and 77 cents respectively, though $1 a share was paid.

Until new supplies of ageing liquors now maturing in the United States, come on the market in 1938 and 1939, there seems little doubt that this dividend will be earned by a wide margin. The general opinion is that when that time comes, the company will prove to be in an excellent competitive position. It is making its products well known by continuous advertising in the United States and is already selling its product in most parts of the union.

The equity for the preferred stock shown on the last balance sheet was nearly $52 a share It has preference up to $20 a share and is callable at that figure.

Consumers' Gas

I have a few shares of Consumers' Gas and am wondering what possibility there is of an appreciation in price.

Fluctuations in price of Consumers' Gas stock, apart from the position of gas in competition with electricity, are likely to be based chiefly upon the level of interest rates. The company cannot make more than $10 a share in dividends. Anything earned above $10, by terms of its charter, must be applied to reducing gas rates. So long as that $10 a share is secure, the company's shares will react almost directly to prevailing levels of interest rates. While rates are low shares invariably have had high market valuations.

Steel Co. of Canada

What are the prospects for the common stock of Steel Co. of Canada?

Increased dividend payments are in prospect for the common shares of Steel Co. of Canada as a result of the decision of the Privy Council that participating dividends must be paid on the common shares to the full extent of extra payments made on the preferred. This means that back payments on the common stock will, in all probability, continue to be made until the accumulations of $11.42½ per share are wiped out. An extra dividend of $1.42½ per share has been declared payable Feb. 1 next so that arrears after that date will amount to $10 per share. Following liquidation of the accumulation, preference and common stocks share equally in any dividends above the preference rate of seven per cent. The company's financial position is strong, and it appears that earnings are capable of expansion if business recovery continues.

The Woman Investor

Securities Must be Watched

A MIDDLE-AGED widow, without dependents, asks suggestions for investment in good common stocks that "will not require too much watching."

Some $20,000 of her $50,000 legacy is being placed in an annuity, and she feels she might employ the balance to advantage in more speculative channels.

There is, of course, no such investment as she is seeking. The remark of an experienced financier illustrates the point. Asked how often he reviewed his investments, he replied: "Every morning."

Because of the need for constant scrutiny, common stocks appear unduly hazardous for this woman investor. On the other hand, her annuity is not entirely satisfactory as to liquidity. She does not want to disturb it. A happy medium between an annuity and common stocks may be found, however, in government bonds. A substantial investment in 10 to 15-year government bonds of the highest quality would produce additional income and would always be liquid in case she needs money to meet unforeseen contingencies.

Possibly one-third of her available funds should be in government securities. This would leave $20,000 to be employed elsewhere. She might in fact employ a greater part of the fund in government bonds while she learns the hazards of investment.

* * *

Corporation Securities

IN CORPORATION bonds of high quality, she will face the problem that her holdings may be redeemed. This would mean a recurring investment problem. It may not be avoidable and the same would be true of preferred stocks. For this reason, it will be necessary for her to keep in touch with a reliable investment adviser if she decides to place part of her funds in corporation bonds or preferred shares.

As to common stock, anyone who does not feel able to keep in close contact with business affairs would be taking undue risks to put more than $10,000 of a $50,000 total in such securities. This would provide ample speculative excitement for the normal woman, without risking too large a portion of the total fund. In this, too, it will be necessary for her to keep in regular communication with some reliable source of investment guidance.

The moral is that the woman investor cannot evade entirely the responsibility of watching her investments. But with experience, she may enjoy the job, as many women do, especially when other interests are few.

Com. & Transportation

Will you kindly give me a report on the Commerce and Transportation Building, Toronto? I would also appreciate your opinion of the company's preference and common stocks.

The preferred and common shares of Commerce and Transportation Building, Ltd., Toronto, were sold by the late-lamented G. A. Stimson & Co. The building had a first mortgage on it for $850,000, which was foreclosed. This left nothing for the creditors and less than nothing for the preferred and common shareholders. Therefore, the stock about which you are enquiring is worthless.

Canada Vinegars

Can you give me a brief report on the earning position of Canada Vinegars? What are the prospects for improvement in earnings?

Canada Vinegars has been barely covering its common dividend of $1.60 a share. The company's earnings are stable, but should recover somewhat as general business conditions improve. There is nothing sensationad in the way of earnings or dividends in sight, but prospects seem to be for maintenance of the present dividend. The company controls the greater part of the vinegar business in Canada.

Laura Secord

Do you consider Laura Secord Candy Shops' common a good hold for an appreciation in value?

Earnings of Laura Secord Candy Shops appear to be fairly well stabilized and it is questionable whether this candy chain will expand to a much greater extent. For this reason, only a gradual appreciation in the company's shares may be anticipated. Improving economic conditions, however, and the company's strong financial position, may eventually permit a higher dividend rate. Increased earnings and dividends would naturally tend to strengthen the company's shares.

Gurd (Maritime) Sales Record Gain Last Year

From Our Own Correspondent

MONTREAL.—Charles Gurd and Company (Maritimes) Ltd. report that the volume of business handled in 1935 showed an improvement over 1934. At the beginning of the current year, conditions look favorable for a further increase in sales.

Last June A. McA. Murphy, president of Charles Gurd and Co., parent concern of the Maritime unit, reported that the Maritime company had been subjected to considerable pruning in the way of "operating costs," and while not yet producing dividends, was doing business on a more encouraging basis than for the past two years.

At that time Mr. Murphy expressed the hope that the Maritime company would be able to report something better than a balanced budget for 1935.

Hotel Dieu, of Chatham, Calls Outstanding Bonds

From Our Own Correspondent

MONTREAL.—The Sisters of the Hotel Dieu of Chatham, N.B., have called for redemption all of the Order's outstanding 5½ per cent bonds, due December 1, 1950, on April 1, 1936, at a premium of two per cent.

Rackets

Defrauding the Dead

THE world's meanest racket—now out of business through the vigilance of postal authorities—was also an outstanding example of a shrewd crook profiting by a study of human nature.

It was the "Mail order fountain pen" scheme, and it was one of the easiest of all rackets to operate, and one of the most remunerative, since its victims never knew they had been fleeced.

Imagine, then, a house of mourning, where father, husband, son or some other relative has just passed on. The funeral is to take place, or it may be the day after the funeral.

A package arrives by the postal carrier C.O.D. $2.50.

* * *

A Cheap Fountain Pen

ADDRESSED to the deceased, the package is accepted without question, $2.50 is paid, and the grieving relatives open it to find a cheap fountain pen. With the pen, which is a variety purchasable around 25 cents each at wholesale, is a printed notice stating that, "We enclose the fountain pen ordered by you in reply to our advertisement. We trust it will prove satisfactory, etc."

In a home unsettled by death and funeral arrangements, little thought is given to the matter except that the pen was probably ordered by the deceased before or during the last illness.

And that is exactly what the racketeer who mailed it intended relatives to think. In nine cases out of ten the cheap fountain pen is retained as a last keepsake of the departed and the racketeer has a profit of $2.25 less postage.

* * *

Clipping Obituaries

THE "fountain pen" racket required little in the way of investment. An office was rented by a shrewd crook, a staff of two or three "assistants" hired, and subscriptions placed with every daily paper from coast to coast.

As papers arrived daily, the obituary notices were clipped. Those referring to children were discarded, and in large cities where no street number was given, no object existed in placing the name on the racketeer's list.

But where the address was shown, or in smaller towns or villages where no address was given, one of the 25-cent fountain pens was promptly mailed, in time to arrive on the day of the funeral or immediately afterward.

Thousands of pens are reported to have been sent out to various U.S. and Canadian cities before the racket was discovered and stopped. It was the work of a shrewd student of human nature, but one of the most unscrupulous rackets that has yet come to light.

Investment Analysis

Gatineau Power 5's

Compromise Between Ontario Hydro-Electric Commission and Company Assures Payment of Interest

Declining interest rates on government obligations has forced down the yields on corporation bonds to a point where it is difficult to secure a return of five per cent with a reasonable degree of safety. The majority of the sounder corporation bonds are selling above par.

Of the corporation bonds which can be bought to yield five per cent or better, without the necessity of paying a heavy premium, the five per cent first mortgage bonds of Gatineau Power Co. have attracted considerable attention.

This company has power developments in Quebec and New Brunswick aggregating nearly 680,000 h.p. The output is largely sold in bulk; its retail business being of minor proportions. Revenues have stood up well in the last several years; all interest being earned an average of better than 1.40 times after depreciation.

Reasons For Discount

Despite the stability of earnings and regularity of interest payments, the five per cent first mortgage bonds of Gatineau Power have been and still sell at discount for a variety of reasons.

Gatineau Power is controlled (once removed) by International Hydro-Electric System. The latter has been experiencing financial difficulties which have had their bearing in depressing the price of Gatineau securities.

The second adverse factor has to do with the power sold by Gatineau to Ontario Hydro.

The third major item has to do with the ability of the affiliated company, Canadian International Paper, to pay Gatineau in cash for power deliveries in view of limited earning power brought about by the low price for newsprint.

The troubles of the parent company are such that they do not directly affect the investment merits of Gatineau Power's first mortgage bonds. While International Hydro-electric would be hard hit if it were not able to secure revenue from Gatineau operations, its troubles would not cause Gatineau to default on its own mortgage debt.

Sources of Income

Before considering the position of Gatineau's power sales and revenues therefrom, it is advisable to analyze the sources of the company's income. The returns for 1934 follow:

	$
Power sales:	
Ontario Hydro	4,656,061
Other electric systems	437,606
Affiliated companies	2,777,874
Other power sales	668,284
Domestic and commercial sales	599,195
Municipal lighting sales	50,530
Interest income	8,303
Dividend income	18,240
Profit on merchand. sales	19,742
Rental of misc. properties	5,133
Miscellaneous	18,227
Total	9,259,195

Hydro and C.I.P. Important

From the foregoing it will be seen that roughly one-half of the company's revenue in 1934 was derived from Ontario Hydro and about 25 per cent from sales to Canadian International Paper.

C.I.P.'s Position Better

The ability of Canadian International Paper to pay its power bills has been steadily improving. Not only was newsprint and pulp production larger in 1935 than in 1934, but deliveries of newsprint in 1936 will be made at an advance of $1 a ton. Thus earnings of C.I.P. should tend upward this year and in turn strengthen the company's ability to maintain payments to Gatineau Power.

Ontario Hydro Situation

Gatineau's relations with Ontario Hydro have been mightily affected by the repudiation of contracts by the Ontario government. The loss of all the business would be a serious blow to Gatineau, as the company then might not be in a position to pay interest in full on its first mortgage bonds.

The Hydro situation has been compromised and under the new arrangement, which has still to be approved by the Ontario legislature, Gatineau Power will eventually recover all of the Hydro business but at some loss of revenue. For the immediate future, however, Gatineau revenue from Ontario Hydro will be reduced from $4,656,060 to $2,530,000 annually.

Earned Senior Interest

In the basis of a revenue of $2,530,000 from Hydro, Gatineau Power will be able to cover interest on its first mortgage bonds and prior liens, but may not have sufficient income to cover debenture and other interest, after making provision for depreciation and reserve for amortization of debt discount.

This conclusion is based on the following calculation:

	$
Total income in 1934	9,259,195
Less: Loss on exchange	39,324
Gross income	9,219,871
Less: Expenses	1,220,296
Depreciation	643,747
Amortization debt	349,995
Income tax	30,000
Subsidiary divds.	36,105
Net income	6,939,728
Net income without hydro revenue	2,283,667
Estimated hydro revenue under new contract	2,530,000
Total income	4,813,667
Interest on first mortgage and prior lien liens	3,503,920
Debenture and other interest	1,359,512

Thus in view of the trend toward lower interest rates, the first mortgage bonds of Gatineau Power Co. appear to be reasonably well-secured under the proposed terms of the new contract with Ontario Hydro. Interest on the first mortgage bonds and prior liens will be covered with a margin of over $1¼ millions.

Our January Investment Booklet

CONTAINS a comprehensive review of the Bond Market for 1935 as well as a selected list of Dominion, Provincial, Municipal and Corporation bonds. Kindly write or telephone WAverley 3681.

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REGINA SASK.

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Established 1870
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1935

FOR 80 YEARS
"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.

FOR 80 YEARS
"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.

FOR 80 YEARS
"CANADA PERMANENT" has been a growing asset to Canada, and the

SAFE DEPOSITORY FOR SAVINGS

CANADA PERMANENT MORTGAGE CORPORATION
Head Office: 320 Bay St., Toronto
Combined Assets Exceed $100,000,000

You were asking---

what effect the cancellation of the tariff against United States magazines will have on the circulation of Canadian magazines?

Why should it have *any* effect!

Take Maclean's for example. For the last twenty-four years, Maclean's circulation has been steadily on the increase. In 1911 it was 20,000; 70,000 in 1920; 160,000 in 1930; 250,000 in 1935; and it required a print order of

282,375

copies of the December 15th issue to take care of the demand for that issue.

Maclean's circulation is the product of years of persevering effort to produce a magazine essentially and completely Canadian. Never before has a magazine circulating nationally in Canada so much as approached such a figure.

And the price is five cents a copy — and has been for more than a year — a fact which Canadians have appreciated by buying upwards of 50,000 more copies per issue since it was announced.

Canadians from the Atlantic to the Pacific have come to regard Maclean's as being more than a magazine — *it is an institution.*

We have faith in Canada. Because of it, we have seen Maclean's grow to the proportions of "Canada's National Magazine." And we have the strongest conviction that Maclean's will not only retain its place in the esteem and affections of Canadians but that it will continue to advance to an even higher plane of national service — and, therefore, circulation.

Maclean's
Canada's National Magazine
New York Chicago 481 University Avenue • Toronto, Canada Montreal London, Eng.

Quotations

Montreal, Toronto Listed and Curb Prices

Canadian Bond Markets

WEEK ENDING JANUARY 6

Range 1935 High	Low	Divd. Rate $ in	Y'ld % Jan. 4		Sales	Close Dec. 28 (or last)	Week Ending Jan. 6 High	Low	Close
				A					
2.50	.50	.	...	Abitibi	13937	1.25	1.85	1.15	1.65
9½	2	.	...	Do. pref. 6%	6370	6½	8⅜	6¼	8⅜
8⅝	3	.	...	Do. cert. dep.	790	6	8⅜	6⅝	8¼
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	30	7	7	7	7
47	32	3.25	7	Do. pref.	....	46½	..	..	..
10	7½	40+20c	6.2	Agnew Surp.	240	10	10	9⅞	9⅞
103½	96	7	7	Do. pref.	65	100½	100½	100	100½
4	1	.	...	Alta. Pac. Gr.	10	3⅞	4	4	4
29	15	.	...	Do. pref.	230	26	27½	25	27½
26	25	.	...	Aluminium	....	25	..	..	..
97	97	.	...	Do. pref.	....	97	..	..	..
2	1½	.	...	Amal. Electric	....	2	..	..	..
18	12	.	...	Do. pref.	20	12	12⅞	12⅞	12⅞
29⅞	16	.	...	Amer. Cyn. B.	3100	28½	31⅛	29⅞	30⅛
52½	51	3.50	6.9	Anglo-Can.Tel.p.	....	51	..	..	..
18	6	.	...	Asbestos v. t.	862	17⅞	18	17½	17½
13⅞	8½	1	9.1	Assoc. Brew.	775	11	11½	10	10
110	104	7	6.5	Do. pref.	....	108	..	..	..
4	1½	.	...	Assoc. Can.	....	2	..	..	..
105½	104½	7	6.6	Atlan. Sugar p	....	105½	..	..	..
				B					
66½	51½	2.25	4.3	Bank of Canada	341	52½	53	51½	51⅞
135	126	8	6	Bk. Can. Nat.	20	133½	133½	133	133½
204	152	8	4	Bk. Montreal	796	198	201	199	200
305	245	12	4.4	Bk. N. Scotia	60	271	275	271	274
235	183	10	4.4	Bk. Toronto	7	225	225	225	225
11	10	50c	...	Barcelona	....	10½	..	..	..
14	4½	.	...	Bathurst Pr.	7446	13	13⅞	12⅞	13⅞
4⅞	1	.	...	Do. (B)	674	3⅞	4½	3½	4½
3.00	.50	.	...	Bawlf Grain	300	1.00	1.75	1.75	1.75
40	17	.	...	Do. pref.	....	23	..	..	..
3	2	.	...	Beath & Sons	....	2½	..	..	..
15	8½	.	...	Beatty Bros. A.	60	11	12	11⅞	12
95	85	6	6.4	Do. pref.	10	92½	93	93	93
7½	2½	.	...	Beauharnois	1024	3½	3⅞	3½	3½
98⅜	85	4	4.3	Belding Cort.	....	92	..	..	..
125	116	7	5.6	Do. pref.	....	125	..	..	..
145	118	6	4.2	Bell Telephone	418	140	145	140	144
29½	13	1.25		Biltmore Hats	82	29½	30	29½	30
110	97½	7	6.4	Do. pref.	....	110	..	..	..
4	3½	.	...	Bissell, T. E.	....	3½	..	..	..
35	25	.	...	Do. pref.	....	31	..	..	..
4	1⅞	.	...	Blue Ribbon	15	4	3½	3½	3½
29	19	2	7.4	Do. pref.	61	27	27½	26½	27
31	27½	2	6.7	Brant. Cord. pf.	15	29⅞	30½	30	30½
10⅞	7½	.	...	Brazilian Tr.	15412	9⅞	10½	9⅞	10
1.70	.55	.	...	Brew. & Distil.	1365	1.25	1.30	1.30	1.30
4⅞	1	.	...	Brewing Corp.	1431	2½	2⅞	2½	2½
22⅞	8	1.50	11.5	Do. pref.	981	13	13⅞	13	13⅞
14	10	30c	3	Bright, T. G.	....	10	..	..	..
77½	75	6	7.5	Do. pref.	20	75	80	80	80
16⅞	14½	80c	4.2	Brit. Amer. Oil	43014	15⅞	19	15⅞	18⅞
1.75	50	.	...	B. C. Packers	135	.75	.85	.75	.80
25	13	.	...	Do. pref.	45	20	20	20	20
30½	21	1.50	5.2	B. C. Power A.	470	24½	29	28½	28½
5	2	.	...	Do. (B)	130	4½	4½	4	4½
18⅞	14⅞	1.20+10c	8.4	Bruck S. M.	1500	15½	16	15	16
33	25½	1+25c	3.7	Building Prod.	241	32	35½	32	34½
39½	29⅞	2	5.3	Burt, F. N.	130	38½	39	38	39
				C					
85	80	6	7.4	Calgary Pr.	5	83	81½	81½	81½
6½	2	.	...	Canada Bread	1320	5½	6	5⅞	5⅞
95	63	1	...	Do. pref. A	....	93½	..	..	..
38	17	.	...	Do. pref. B	194	37½	40½	35	40½
9	5½	50c	...	Canada Bud	735	6⅞	6⅞	6⅞	6⅞
8½	5	.	...	Canada Cement	2815	6	6⅞	6½	6⅞
64½	49⅞	.	...	Do. pref.	494	60	59	58	58½
60½	55	1.50+50c	3.4	C. & D. Sug.	479	58⅞	59½	59	59
17⅞	8½	.	...	Canada Dry	25600	16	17⅞	..	15⅞
7	2	.	...	Can. Forg. (A)	....	5	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
35	18	.	...	Canada Iron	....	30	..	..	..
55	50	3	5.9	Do. pref.	....	51	..	..	..
510	450	20	3.8	Canada Life	10	510	520	520	520
36	29	1.50+50c	6	Can. Malting	700	32⅞	34	32⅞	34
25⅞	17½	1.20	5	Can. Nor. Pr.	1175	23½	25⅞	23⅞	24
111	98½	7	6.4	Do. pref.	58	109	109	108½	109
82½	50	2.25	...	Can. Packers	115	82½	83½	82½	83
115	110	7	6.3	Do. pref.	....	111½	..	..	..
85	60	.	...	Can. Paper pf.	50	85	105	105	105
.05	.05	.	...	Can. Paving	....	.05	..	..	..
3⅞	2	.	...	Do. pref.	....	2	..	..	..
150	119	8	5.7	Can. Perman.	65	138	140	137½	140
12	12	.	...	Can. Starch	9	..	12	12	12
2.75	1.00	.	...	Can. Steamsh's	395	1.50	2.00	1.75	2.00
11⅞	6	.	...	Do. pref.	2310	7½	11	7⅞	11
29	23	1.60	5.9	Can. Vinegars	320	27	27	26½	27
23	13½	.	...	Can. W. Cable	45	22½	23	22	23
8½	4½	.	...	Do. (B)	5	8½	9	9	9
82	81	.	...	Do. pref.	....	82	..	..	..
2⅞	1	.	...	Can. Bakeries	....	2⅞	..	..	..
43	13	.	...	Do. pref.	145	36	45	43	45
169½	120	8	5.3	Can. Bk. Com.	278	148	150	148	151
32	26	60+50c	.	Can. Bronze	105	30	31½	29	31
117	110	7	6.3	Do. pref.	....	111	..	..	..
6⅞	3½	.	...	Can. Canners	175	4½	5	4⅞	5
94	75	6	6.7	Do. 1st pfd.	87	85	89½	85	89½
9⅞	4½	.	...	Do. 2nd pfd.	531	6⅞	7	6½	7
8½	4⅞	.	...	Can. Car & Fd'y	4748	6½	7⅞	6½	7½
17	10½	.	...	Do. pref.	1700	14	15	14	15
27⅞	18½	.	...	Can. Celanese	4320	26⅞	31½	26½	30½
127	100	7	5.6	Do. pref.	80	127	125	125	125
21	18	.	...	Do., Rights	....	20½	..	..	..
32	24	2	8	Can. Convert.	80	24	25	23⅞	25
66	36	4	8	Can. Cottons	....	50	..	..	..
105	93½	6	6	Do. pref.	6	100	99	99	99
43½	19½	1+1	...	Can. Dredge	1031	42½	44½	42½	43½
125	106	7	6	Do. pref.	....	125	..	..	..
100	95	6	6	Can. Fairb. pf.	35	100	100	100	100
30	18	1.60	6.4	Can. For. Inv.	145	26	26	23½	26
107½	103	8	7.6	Do. pref.	5	107	105	105	105
168	145	3	1.9	Can. Gen. Elec.	....	156	..	..	..
6½	6½	40c	...	Can. G. Inv.	....	6½	..	..	..
82½	37	6	13	Can. Hyd. El. p	608	45	47	45	45
13⅞	6⅞	.	...	Can. Ind. Alc.	5188	10⅞	11	10⅞	11
12	6	.	...	Do. (B)	2380	9⅞	10½	9½	9½
227½	178½	4+75c	..	Can. Indust. B.	....	227	..	..	..
166½	148	7	4.2	Do. pref.	....	166½	..	..	..
2	2	.	...	Can. Int. I. Tr.	....	2	..	..	..
25	20	.	...	Do. pref.	....	25	..	..	..
30	20	1	5	Can. Lt. & Pr.	30	21	20	20	20
4	1⅞	.	...	Can. Locomo.	....	1⅞	..	..	..
2½	1	.	...	Can. Marconi	4800	2	2½	2	2½
15	11	50c	3.3	Canadian Oil	205	14⅞	15½	14⅞	15½
127	113	8	6.4	Do. pref.	35	125	125	125	125
13⅞	8⅞	.	...	Can. Pacific	20744	10⅞	12½	10⅞	11½
2	1	.	...	Can. Vickers	52	1½	1⅞	1½	1½
16	6½	.	...	Do. pref.	30	10	12	12	12
6	2½	20+5c	.	Can. Wineries	300	3	3½	2⅞	3½
21½	15	25c▲	...	Can. Wire Box.	75	21	21½	21½	21½
23	9	.	...	Catelli Mac A.	572	21	24½	21	24½
4½	1½	.	...	Do. (B)	412	3	4	3	4
30⅞	25	.	...	Celanese of Am.	....	25	..	..	..
‡245	245	8	...	Cent. Can. L'n.	....	..	..	..	..
2.35	.55	.	...	Chem. Research	1500	.76	.90	.80	.86
2½	1½	.	...	City Gas & Elec	5	1⅞	1½	1½	1½
.50	.20	.	...	Claude Neon	....	.40	..	..	..
18	12½	92c	7.2	Coast Brew.	337	13	13	12⅞	12⅞
6½	5	.	...	Do. Rights	985	5½	5⅞	5	5
9⅞	6	.	...	Cockshutt Plow	2425	7½	8½	7½	8½
.95	.45	.	...	Comm. Alcohol	200	.90	.90	.90	.90
1.00	.15	.	...	Conduits	....	.15	..	..	..
61	48	.	...	Do. pref.	....	50	..	..	..
17½	11½	80+10c		Cons. Bakeries.	3165	16⅞	18	16	17⅞
2.25	.70	.	...	Cons. Paper	7501	1.70	2.50	1.75	2.50
7	5	.	...	Cons. Press	10	6½	7	7	7
26½	25	.	...	Cons. Sand. pf.	....	25	..	..	..
220	125½	1.25+4	..	Cons. Smelters.	944	205	206	200	201½
193	184	10	5.3	Consumers' Gas	117	188½	190	188½	189
90	30	5.25	...	Corr. P. Box p.	85	85	85	85	85
20½	14⅞	52½c	...	Cosmos Imp.	280	19½	19⅞	19	19½
108	102⅞	7	6.5	Do. pref.	77	107	107½	106½	107
2½	1½	.	...	Crown Dom. Oil	25	2	2½	2½	2½
30	25	2	..	Crow's N. Coal	....	25	..	..	..
				D					
1	½	.	...	David & Fre. B	....	½	..	..	..
4	1⅞	.	...	Do. (A)	....	1⅞	..	..	..
2⅞	1½	.	...	De Havilland	....	2	..	..	..
30½	30	.	...	Do. (A)	....	30½	..	..	..
19	5	.	...	Disher Steel	....	..	..	..	..
6½	6½	.	...	Do. pref.	....	6½	..	..	..
39	13½	.	...	Distill-Seagram	9142	34⅞	35½	32½	32⅞
201½	141	10	5.3	Dom. Bank	71	185	190	185	190
34½	24½	1.20	3.5	Dom. Bridge	2598	32	34	31⅞	33⅞
18⅞	14⅞	1.50	...	Dom. Coal, p.	1810	15½	15⅞	15½	15½
27	17	.	...	Dom. Engineer	446	25⅞	27½	25⅞	27½
30	29½	.	...	Dom. Foundries	....	30	..	..	..
120	90	5	4.5	Dom. Glass	....	110	..	..	..
145	129⅞	7	4.8	Do. pref.	....	145	..	..	..
.10	.10	.	...	Dom. Motors	....	.10	..	..	..
36	32	.	...	Dom. Oilcloth	....	35½	..	..	..
90½	80	7	7.7	Dom. Rubber p	....	90½	..	..	..
6	3½	.	...	Dom. St. & C.B.	2332	4½	4⅞	4½	4⅞
12½	6⅞	.	...	Dom. Stores	4845	8⅞	9⅞	8⅞	9⅞
7⅞	3½	.	...	Dom. Tar & Ch.	2195	4½	5½	4½	5½
72	42	.	...	Do. pref.	178	56	60	57	57
82½	60	5	6.8	Dom. Textile	167	72	75	72	75
150	130	7	4.9	Do. pref.	7	145	144	144	144
4½	1½	.	...	Donnacona P. A.	8	4½	5½	5½	5½
3⅞	1	.	...	Do. (B)	125	4½	3	3	3
5⅞	3	.	...	Dryden Paper	3996	4½	6½	4⅞	6
				E					
2½	1	.	...	East. Koot. Pr.	....	1	..	..	..
14	5	.	...	Do. pref.	....	6	..	..	..
3½	1⅞	.	...	East. Dairies	5	3½	2½	2½	2½
20	12	.	...	Do. pref.	....	17½	..	..	..
10	5	.	...	East. Steel	185	10	11	10	11
90½	80	7	7.8	Do. pref.	....	89⅞	..	..	..
8	7½	.	...	East. Theatres	....	7½	..	..	..
85	58½	7	8.2	Do. pref.	....	85	..	..	..
3½	1	.	...	Easy Washing	100	1½	1½	1½	1½
20	13½	25c	...	Economic Inv.	50	20	21	21	21
3	1	.	...	Enam. & Heat.	45	3	1	1	1
12	7	.	...	Eng. Electric	20	10½	10½	10½	10½
7	3	.	...	Do. (B)	80	6	7½	7	7½
9	6⅞	30c	...	European El. A	....	7	..	..	..
				F					
16½	10	50c	3	Fam. Players	10	15½	16½	16	16
17	14	.	...	Do. Vot. Tr.	....	16	..	..	..
13⅞	7⅞	50c	3.7	Fanny Farmer	4105	13⅞	13⅞	13⅞	13⅞
32½	23½	50c	1.9	Ford Motors A.	4926	24½	27	24½	25
2.25	.50	.	...	For. Pr. Secs.	15	.60	.65	.65	.65
14	9⅞	.	...	Foundation Co.	370	13	13½	13	13½
8½	2½	.	...	Fraser Cos.	512	7½	11½	8	10½
8½	1⅞	.	...	Do. Vot. Tr.	803	6⅞	10	9	9½
61	54	6	10.9	Freiman, pf.	10	55	55	55	55
4	2	.	...	Frost Steel	....	2⅞	..	..	..
89	68	1.25	...	Do. pref.	....	89	..	..	..
				G					
5½	3	.	...	Gen. St. Wares.	3215	4⅞	5½	4½	5½
56	25	.	...	Do. pref.	508	53	59½	54	59
72½	59	63c	...	Goodyear Tire	142	63⅞	65	64½	65
56½	51½	2.50	4.5	Do. pref.	180	55½	57	55	57
1½	2	.	...	Gt. W. Saddlery	....	1	..	..	..
20	12½	.	...	Do. pref.	....	12½	..	..	..
6⅞	4	.	...	Gurd, Chas.	1655	5⅞	7	5⅞	7
100	80	7	7	Do. pref.	....	100	..	..	..
7⅞	4½	.	...	Gypsum Lime	4605	6⅞	7⅞	6⅞	7½
				H					
5½	3	.	...	Ham. Bridge	925	4	5	4	4½
33	18	.	...	Do. pref.	40	24	27½	25	27½
30½	24	1.50	...	Ham. Cot. pf.	....	25	..	..	..
2½	½	.	...	Ham. U. Theat.	....	½	..	..	..
60	48	4	7.7	Do. pref.	....	52	—	—	—
3½	2½	.	...	Harding Carpet	10	2⅞	2⅞	2⅞	2⅞
13⅞	10	50c	...	Hinde & Dauch	810	13½	14	13⅞	14
6	5	.	...	Holt Renfrew	....	5	..	..	..
30	25	.	...	Do. pref.	....	25	..	..	..
.60	.15	.	...	Honey Dew	....	.45	..	..	..
8	6	.	...	Do. pref.	....	7½	..	..	..
13	9	.	...	H. Smith Pap.	1055	11½	13	11½	12½
115	84	.	...	Do. pref.	165	105	110	106½	109½
35½	28	2	6.2	Humberstone S.	20	32½	32½	32½	32½
11	3	.	...	Hunts (A)	50	7½	7	7	7
11	3	.	...	Do. (B)	....	10	..	..	..
103	80	6	6.9	Huron & E. Mt.	57	83½	87	86½	87
17½	14	.	...	Do. 20% pd.	....	14⅞	..	..	..
5½	3	.	...	Hydro Electric.	....	5½	..	..	..
				I					
208½	157	10	4.8	Imperial Bank	31	203	206	204	204
22⅞	15⅞	50+75c	6	Imperial Oil	16075	19½	20⅞	19½	20½
14½	12	52½c	3.7	Imperial Tob.	3938	13⅞	14½	13⅞	14
7⅞	6⅞	6%	...	Do. pref.	330	7	7⅞	7⅞	7⅞
20½	17	1	...	Inter City Bak.	....	18	..	..	..
45½	25	5+2	..	Inter'c Coal	145	45	45	43	43
110	100	8	7.3	Do. pref.	....	110	..	..	..
4⅞	1½	.	...	Int. Hyd. E. A.	21200	3½	4⅞	3½	4½
6	2	.	...	Int. Metal Ind.	240	4½	4⅞	4⅞	4⅞
45	25	.	...	Do. pref.	10	30	30½	30	30½
105½	99	5	4.8	Inter. Mill., pf.	65	105	105	103½	105
47⅞	22½	1	2.2	Inter. Nickel	7224	45	46	44½	44⅞
4½	2	.	...	Inter. Paints	339	3	4½	3	4½
20	18	1.12½▲	..	Do. pref.	90	18½	19	18	19
b5	1½	.	...	Int. Pa. & P. A	1000	3⅞	4½	3⅞	4
b3½	⅞	.	...	Do. (B)	700	2½	2½	2	2½
b2⅞	⅞	.	...	Do. (C)	2500	1⅞	1⅞	1⅞	1⅞
b28⅞	4½	.	...	Do. pref.	20600	27½	28½	23½	24½
39½	28½	1.50+1	7.2	Inter. Pete.	13557	33⅞	35½	33⅞	34
6	1	.	...	Inter. Power	105	3⅞	3⅞	3½	3⅞
64	40	3	...	Do. pref.	100	56½	57½	57	57
13⅞	12½	1.12	...	Inter. St. Ry. A.	....	13⅞	..	..	..
2	2	.	...	Do. (B)	....	2	..	..	..
4½	1½	.	...	Int. Util. (A)	215	3½	5½	3⅞	5½
.85	.25	.	...	Do. (B)	3255	.50	.85	.40	.75
				J					
33½	22	1.50	4.5	Jam. Pub. Ser.	1620	33	33	32⅞	33
126	115	7	5.6	Do. pref.	....	125	..	..	..
				K					
8⅞	6	.	...	Kelvinator	....	7	..	..	..
107	102	7	6.6	Do. pref.	....	106	..	..	..
				L					
18½	7	.	...	Lake of Woods.	1665	18½	18½	17½	17½
125	80	1.75▲	..	Do. pref.	30	125	125	123	123
75	53	5	9.4	Landed Bank.	....	53	..	..	..
4	3½	.	...	Langley's	....	3½	..	..	..
80	50	7	14	Do. pref.	....	50	..	..	..
67	59	3	4.5	Laura Secord	185	66	67	67	67
5	2½	.	...	Lindsay, C. W.	....	3½	..	..	..
40½	39	.	...	Do. pref.	....	40	..	..	..
19½	16½	1	5	Loblaw (A)	2293	18⅞	19½	18⅞	18⅞
18½	16	1	5.7	Do. (B)	589	17⅞	17½	17⅞	17½
7½	6⅞	10c	...	Louisiana L.	....	6⅞	..	..	..
				M					
3½	3½	.	...	MacKin. Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
2½	1½	.	...	Manitoba Pr.	....	1½	..	..	..
1.00	.50	.	...	M. L. Gardens	....	.50	..	..	..
5	3½	.	...	Do. pref.	....	4⅞	..	..	..
1.65	.40	.	...	Maple Leaf	3767	1.50	2.25	1.50	2.25
5	1	.	...	Do. pref.	220	4½	5	4½	5
12⅞	12	60c	4.7	Maritime Tel.	....	12⅞	..	..	..
15	14½	70c	4.7	Do. pref.	....	14⅞	..	..	..
20	14	.	...	Marcus Loew's.	....	16½	..	..	..
115	103½	7	6.3	Do. pref.	....	111⅞	..	..	..
7⅞	3½	.	...	Massey-Harris	7062	5⅞	6⅞	5⅞	6½
37	18⅞	.	...	Do. pref.	295	35⅞	36½	36	36
15⅞	11⅞	80c	6.5	McColl Fron.	9597	12½	13½	12½	13½
100⅞	94	6	6.2	Do. pref.	189	97⅞	98	96½	98
14½	7	.	...	Melchers (A)	215	12	11½	11	11½
7	2½	.	...	Do. (B)	115	4⅞	5	5	5
10	7	.	...	Mercury Mills p	10	7	7	7	7
27½	20	1	...	Mitchell, J. S.	....	27½	..	..	..
101	101	7	6.9	Do. pref.	....	101	..	..	..
7½	5½	.	...	Mitchell, Robt.	228	5½	6½	5½	5
5	2½	.	...	Monarch Knit.	....	4½	..	..	..
90	71½	7	7.8	Do. pref.	....	90	..	..	..
30	20	.	...	Montreal Cot.	76	26	26	26	26
97	73	7	8.2	Do. pref.	10	85	86	85	85
‡1	½	.	...	Montreal Exhib.	....	..	..	..	..
1.30	1.00	.	...	Mont. Is. Pr.	....	1.30	..	..	..
36⅞	26⅞	1.50	4.6	Mont. L. & Pr.	3836	32	33	31⅞	32
32	30	2.50	8.3	Montreal Loan.	....	30	..	..	..
9	6⅞	.	...	Mtl. Ref. & S.P.	....	9	..	..	..
2	1½	.	...	Do. Vot. Tr.	5	2	2	2	2
58½	54½	3.20	5.6	Montreal Tele.	25	56	57	57	57
102	80	9	8.9	Montreal Trams	25	99	100	100	100
29½	17½	50c	1.7	Moore Corp.	1389	27⅞	29½	27⅞	28½
149	118½	7	4.8	Do. pref. (A)	25	146	147	146	147
185	135	7	3.9	Do. pref. (B)	60	175	180	180	180
1.10	.25	.	...	Muirheads	....	.35	..	..	..
6	3	.	...	Do. pref.	....	3	..	..	..
				N					
40	31	1.60	4	Nat. Breweries.	2110	39½	40	37	39⅞
44	38	1.75	4.2	Do. pref.	10	43	42½	42½	42½
7½	4½	.	...	Nat. Grocers	815	6⅞	7½	6⅞	7½
135	121	7	5.4	Do. pref.	....	103½	..	..	..
22	14½	.	...	N. Sew. Pipe A	90	16⅞	17	16⅞	17
18½	12½	.	...	Nat. Steel Car.	1919	15	17½	15	17
204	175	8	4.2	National Tr.	16	192	192	192	192
36	15	2	5.9	Niag. W. Weav.	115	36	36	34	34
53	45½	3	5.7	Do. pref.	....	52½	..	..	..
1.90	.60	.	...	North Star Oil.	25	1.10	1.00	1.00	1.00
4.00	1.50	17½c	..	Do. pref.	305	3.25	3.25	3.25	3.25
57	57	3	5.3	N. S. Lt. & Pr. c	....	57	..	..	..
				O					
204	140	8	4	Ogilvie Flour	136	195	200	195	199⅞
152	130	7	4.6	Do. pref.	....	151	..	..	..
8½	5½	.	...	Ont. Eq. 10% pd	80	7	7½	7½	7½
115	107½	6	5.4	Ontario Loan	....	110½	..	..	..
18	8	.	...	Ont. Silknit	15	14	14½	14½	14½
105	75	7+2▲	6.9	Do. pref.	5	100	102	102	102
6½	5	.	...	Ont. Steel	....	5	..	..	..
.35	.10	.	...	Orange Crush	....	.15	..	..	..
17	6	.	...	Do. 1st pref.	....	6	..	..	..
.55	.20	.	...	Do. 2nd pref.	....	.45	..	..	..
‡5	5	.	...	Ottawa Car	....	..	..	..	..
89½	74	6	6.7	Ott. L. H. & Pr.	19	89½	90	88	90
111	100	6.50	5.9	Do. pref.	....	110	..	..	..
22	14	2	...	Ott. Traction	25	21	20½	20½	20½
				P					
88	75	3	3.7	Page Hersey	231	78½	80½	79½	79½
4⅞	3	.	...	Pantepec Oil	850	3½	3⅞	3½	3⅞
17	17	.	...	Paton Mfg.	....	17	..	..	..
98	94	7	7.2	Do. pref.	....	98	..	..	..
63½	41	3	6.5	Penmans	....	46½	..	..	..
116	106½	6	5.2	Do. pref.	....	116	..	..	..
26	20½	1	3.8	Photo Eng.	85	26	26	26	26
91	70	7	8	Porto Rico Pr. p	55	83	87	85	85
12⅞	6½	.	...	Power Corp.	4597	10½	12⅞	10⅞	12⅞
99	80	6	6.1	Do. pref.	60	98	99	98	99
2.50	.80	.	...	Prairie C. Oil	65	1.25	1.25	1.25	1.25
21	6	25c	...	Pressed Metals	971	19⅞	20½	19½	20½
3.87	1.50	.	...	Price Bros.	9155	3.25	4.50	3.50	4.25
33⅞	14	.	...	Do. pref.	1245	22	27	23½	27
				Q					
17½	13	1	6.7	Quebec Power	1515	14½	16	14	16
				R					
58	40	2	5	Real Estate L'n.	....	40	..	..	..
7	4½	.	...	Regent Knit.	95	5½	5½	5½	5½
6½	2	.	...	Reliance Grain.	233	6	7	6½	7
31	27	1	3.3	River S. Mills.	225	29⅞	30	29⅞	30
9	5½	.	...	Rogers Majest.	1865	6	6½	5⅞	6½
96	83	6	6.3	Rolland P. pf.	62	95½	96	95½	95½
173½	133½	8	4.9	Royal Bank	669	161½	165	163	165
32	20	.	...	Russell Motor	5	30	30	30	30
101	70	7+1▲	7	Do. pref.	9	99	100	100	100
				S					
5	2	.	...	Sarnia Br. (A)	....	4	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
23	14½	60c	2.9	Shawinigan	4110	19½	20½	19½	20
18	9½	.	...	Sher. Wms.	1355	16⅞	18½	17	18⅞
118	100	1.75▲	..	Do. pref.	26	118	117	117	117
14	8	.	..	Simon & Son	100	9½	10	9	10
109½	90	.	...	Do. pref.	5	92	93	93	93
90	62	4	5.2	Simpson, Ltd.	205	75	77	76	77
15	9	.	...	Do. (A)	5	12	12	12	12
11	5	.	...	Do. (B)	50	9	9	9	9
110½	103	6	5.4	Simpson, R., p.	....	110	..	..	..
14½	9½	80c	6.2	So. Can. Pr.	371	12	13	12	12
100	82	6	6.1	Do. pref.	124	97½	99	98	99
1.90	.60	.	...	St. Law. Corp.	4055	1.70	2.25	1.75	2.12
9½	3	.	...	Do. (A)	4314	9	9½	8⅞	9½
39½	30	2	5	St. Law. Flour.	19	39	40	40	40
125	113	7	5.8	Do. pref.	....	120	..	..	..
22½	8½	.	...	St. Law. Pap. p	3391	20½	24	20	23⅞
7	4	.	...	Stand. Chem.	110	6⅞	7	6⅞	6⅞
1.75	.70	.	...	St. Pav. & Mat.	260	1.00	1.20	1.10	1.20
15	9	.	...	Do. pref.	....	15	..	..	..
25	20	.	...	Stand. Steel, pf.	20	25	20	20	20
58½	42	1.75+1.42½		Steel of Can.	2027	56⅞	60	56⅞	57½
49	41	1.75	3.4	Do. pref.	753	48½	50⅞	47½	50½
4	2	.	...	Sterling Coal	....	4	..	..	..
4⅞	4⅞	.	...	Stop & Shop	....	4⅞	..	..	..
3	1½	.	...	Supersilk, H.	....	2	..	..	..
72	58½	3.50	4.9	Do. pref.	....	72	..	..	..
31½	21½	1	3.3	Sup. Pete. ord.	91	31	31½	30	31
29	23	1	3.4	Do. com.	....	29	..	..	..
115	110	7	6.3	Do. pref.	....	111	..	..	..
				T					
34	23	.	...	Tamblyn	....	32	..	..	..
114	110	7	6.2	Do. pref.	....	112	..	..	..
6	2	.	...	Thayers	....	2	..	..	..
41	33	3.50	10.6	Do. pref.	....	33	..	..	..
2½	1	.	...	Thrift Stores	....	1½	..	..	..
13	5	.	...	Do. pref.	....	8	..	..	..
12⅞	7	.	...	Tip Top Tailors	100	9	8⅞	8⅞	8⅞
100	90	7	7	Do. pref.	....	100	..	..	..
†22	10	.	...	Tooke Bros.	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
42	32½	1	2.7	Tor. Elevators	....	36	..	..	..
129½	108	7	6	Do. pref.	25	117	117	115	115
125	80	4	4.7	Tor. Gen. Tr.	....	85	..	..	..
121	110	6	5	Toronto Mtge.	....	115	..	..	..
150	133½	7	4.7	Tuckett Tob. p.	10	150	150	150	150
12½	2	.	...	Twin City	6	10	9⅞	9⅞	9⅞
b73	18	.	...	Do. pref.	....	..	..	..	..
				U					
10	3⅞	.	...	Union Gas	6238	9	9⅞	8⅞	9½
11½	9	.	...	Un. Amuse. A.	10	10⅞	15	15	15
‡7½	7½	.	...	Do. (B)	....	..	..	..	..
1.40	.50	.	...	United Distill.	....	.85	..	..	..
‡2	2	.	...	United Fuel	....	..	..	..	..
29	15½	.	...	Do. pref.	131	24	25	23½	23½
30	23	2	8.3	United Secs.	....	24½	..	..	..
5	2	.	...	United Steel	255	3½	3½	3½	3½
				V					
2.00	1.00	.	...	Viau Biscuit	....	2.00	..	..	..
20½	12	.	...	Do. pref.	14	18	18	18	18
				W					
31½	16	.	...	Wabasso Cot.	600	31½	30	28	30
35	23	.	...	Walker-Good.	5184	32	33½	32	32½
18½	16⅞	1	5.6	Do. pref.	1193	18	18	17⅞	17⅞

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

January 8, 1936

Dominion of Canada Bonds

	Rate	Due	Bid Jan. 8	Asked Jan. 8	Approx. Yield	Bid Dec. 31
Dominion	2	15 Oct. 1936	100.15	100.75	1.02	100.15
Dominion	5	15 Nov. 1936	102.50	103.50	.87	102.35
††Dominion	5	1 Mar. 1937	104.65	105.65	...	105.00
‡Dominion	5½	1 Dec. 1937	107.25	108.25	1.09	107.25
Dominion	2½	15 Oct. 1939	101.00	102.00	1.95	101.00
Dominion	4	15 Oct. 1939	106.00	107.00	2.13	106.00
Dominion	2	15 Nov. 1939	99.85	100.85	1.77	99.65
Dominion	4½	1 Sept. 1940	109.00	110.00	2.22	109.00
Dominion	5	15 Nov. 1941	110.75	111.75	2.81	110.50
Dominion	3	15 Oct. 1942	103.00	104.00	2.36	103.75
Dominion	2½	1 June 1943	100.50	101.50	2.29	100.25
Dominion	5	15 Oct. 1943	111.65	112.65	3.15	111.50
Dominion	4½	15 Oct. 1944	109.75	110.75	3.09	109.65
Dominion	4	15 Oct. '43-45	106.00	107.00	2.99▲	106.00
Dominion	4½	1 Feb. 1946	109.35	110.35	3.28	109.50
Dominion	3½	15 Oct. '44-49	102.65	103.65	3.02▲	102.50
Dominion	4	15 Oct. '47-52	104.75	105.75	3.41▲	105.00
Dominion	3	1 June '50-55	97.50	98.50	3.10	98.00
Dominion	4½	1 Nov. '46-56	107.00	108.00	3.61▲	107.35
Dominion	4½	1 Nov. '47-57	107.00	108.00	3.67▲	107.35
Dominion	4½	1 Nov. '48-58	107.35	108.35	3.68▲	107.65
Dominion	4½	1 Nov. '49-59	107.50	108.50	3.72▲	107.75

Dominion Guaranteed Bonds

	Rate	Due	Bid Jan. 8	Asked Jan. 8	Approx. Yield	Bid Dec. 31
*G. T. P. Ry.	3	1 Jan. 1962	97.75	98.75	3.07	98.00
Can. N. Ry.	3	1 May 1944	101.50	102.50	2.65	101.50
Can. N. Ry.	3	15 Dec. '45-50	98.00	99.00	3.09	98.50
*Can. N. Ry.	4½	1 Sept. 1951	110.75	111.75	3.53	111.00
*Can. N. Ry.	4½	1 Feb. 1956	110.50	111.50	3.70	111.00
†Can. N. Ry.	4½	1 July 1957	109.00	110.00	3.82	109.25
*Can. N. Ry.	4¾	15 June 1955	113.25	114.25	3.72	112.75
Can. N. Ry.	5	1 Feb. 1954	113.25	114.25	3.92	113.50
*Can. N. Ry.	5	1 July 1969	113.75	114.75	3.48▲	113.75
*Can. N. Ry.	5	1 Oct. 1969	115.25	116.25	3.76▲	115.50
*M. Harb. C.	5	1 Nov. 1969	115.50	116.50	3.75▲	116.00

Provincial Government Bonds

	Rate	Due	Bid Jan. 8	Asked Jan. 8	Approx. Yield	Bid Dec. 31
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	107.00	108.00	3.99	107.00
†N. Bruns.	5	15 Jan. 1960	113.00	114.00	4.07	112.75
N. Bruns.	5½	15 May 1950	112.50	113.75	4.22	112.50
N. Scotia	4½	15 May 1943	106.75	107.75	3.30	106.50
†N. Scotia	4½	15 Sept. '47-52	107.75	108.75	3.60▲	107.50
N. Scotia	4½	15 May 1961	108.50	109.50	3.90	108.25
†N. Scotia	5	1 Mar. 1960	114.00	115.00	4.03	113.75
*Ontario	4	1 June 1962	102.50	104.00	3.76	102.50
*Ontario	4½	1 Sept. 1944	107.00	109.00	3.30	107.00
Ontario	4½	1 June 1950	105.25	106.25	3.93	105.00
*Ontario	4½	15 Jan. 1962	106.50	108.00	4.00	107.50
Ontario	5	15 Oct. 1948	108.25	109.25	4.07	109.00
*Ontario	5	2 Dec. 1960	114.25	115.25	4.03	114.25
Ontario	5½	1 July 1946	110.00	111.00	4.19	110.25
O. H. C.	3½-4-5	1 Oct. '33-52	100.00	101.00	4.34●	100.00
*Ont. Hyd. C.	4	1 Aug. 1957	103.00	104.50	3.70	103.00
Ont. Hyd. C.	4¾	1 Jan. 1970	109.00	110.50	4.17	108.50
Quebec	4	15 Mar. 1952	105.25	106.25	3.50	105.00
Quebec	4¼	1 Aug. 1958	108.25	108.25	3.65	108.00
Quebec	4½	2 Jan. 1963	110.25	111.50	3.81	110.25
Western—						
†Alberta	4	1 Dec. 1957	85.00	87.00	4.98	85.00
†Alberta	4½	1 Oct. 1956	87.00	88.50	5.43	87.50
†Alberta	5	1 Jan. 1948	91.00	93.00	5.82	92.00
Alberta	5	1 Sept. 1955	90.00	91.00	5.77	90.00
*Alberta	5	1 Oct. 1959	94.00	95.50	5.33	94.50
†Alberta	5½	1 Jan. 1947	95.00	96.50	5.94	94.50
Alberta	6	1 Mar. 1947	95.00	96.50	6.44	94.50
†Brit. Col.	4	1 Dec. 1957	92.00	94.00	4.43	91.00
*Brit. Col.	4½	15 Jan. 1951	98.00	99.00	4.59	98.00
†Brit. Col.	4½	1 Oct. 1953	96.50	98.00	4.66	96.50
†Brit. Col.	5	15 Jan. 1948	99.50	100.50	4.95	99.00
Brit. Col.	5	1 Sept. 1953	99.00	100.50	4.96	99.00
Brit. Col.	5½	1 Feb. 1945	100.00	101.00	5.36	100.00
Brit. Col.	6	15 Feb. 1947	100.50	102.00	5.75	100.50
†Manitoba	4	1 Dec. 1957	98.00	99.00	4.07	98.00
†Manitoba	4½	15 Dec. 1956	100.50	102.00	4.35	100.50
†Manitoba	5	15 June 1954	105.00	106.50	4.48	104.00
*Manitoba	5	2 Dec. 1959	105.50	107.50	4.48	104.00
Manitoba	5½	1 Oct. 1955	104.00	106.00	5.02	103.50
Manitoba	6	1 Apr. 1947	107.00	108.00	5.06	106.00
Sask.	4	15 Aug. 1953	88.50	89.50	4.88	87.50
*Sask.	4½	2 July 1945	96.00	98.00	4.76	96.00
†Sask.	4½	1 Oct. 1951	95.00	96.00	4.86	95.00
Sask.	5	1 Aug. 1958	99.00	100.00	5.00	99.00
†Sask.	5½	15 Nov. 1946	100.50	102.00	5.25	101.00
Sask.	6	15 Mar. 1952	103.00	104.00	5.63	103.00

Municipal Bonds

	Rate	Due	Bid Jan. 8	Asked Jan. 8	Approx. Yield	Bid Dec. 31
†Calgary	5½	2 June 1944	82.00	86.00	7.76	82.00
†Edmonton	5½	1 Nov. 1945	83.00	87.00	7.36	82.00
†Halifax	5	1 July 1961	112.00	113.00	4.17	112.00
Hamilton	5	1 May 1950	106.75	109.75	4.10	106.75
Montreal	5	1 Mar. 1945	105.25	106.75	4.11	105.25
Ottawa	4½	1 July 1945	105.50	108.50	3.44	105.50
†Quebec	5	1 June 1959	108.00	109.00	4.39	108.00
Regina	5	1 July 1944	85.00	90.00	6.55	85.00
St. John	5	15 Dec. 1950	107.00	108.00	4.27	107.50
†Toronto	4½	1 Jan. 1955	106.00	109.00	3.83	106.00
Vancouver	5	1 June 1969	90.00	93.00	5.46	89.00
Victoria	5	21 July 1945	94.00	97.00	5.40	94.00
Winnipeg	5	1 Mar. 1944	101.00	104.00	4.41	101.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of an approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING JANUARY 6

Par Val.	Range 1935 High	Low	Company	Sales	Close Dec. 28 (or last)	High for week	Low for week	Close Jan. 6
[illegible]								
1	.02½	.00½	Ritchie	14,000	.01	.01½	.01	.01½
1	.10½	.02	Robb Montbray	71,800	.07	.07	.06½	.06½
1	.10½	.02⅞	Roche Long Lac	32,200	.05	.06½	.04⅞	.06
1	5.20	2.00	San Antonio	19,060	3.05	3.10	2.98	3.02
50c.	1.25	.54	Sheep Creek	6,050	.70	.66	.56	.59
1	1.23	.45	Sherritt Gordon	25,880	1.14	1.15	1.07	1.08
1	3.29	2.40	Siscoe	58,623	2.91	3.04	2.90	2.94
1	5.10	3.30	South Amer. Gold	......	5.00	.....	.....	.....
No	.15	.02	South Tiblemont	580,400	.04	.07	.04	.05
No	.32	.13½	Stadacona	127,600	.21	.20½	.18½	.19
1	.39	.14½	St. Anthony	44,360	.17½	.22	.17	.20
No	4.10	1.25	Sudbury Basin	4,375	3.25	3.50	3.06	3.06
1	.11	.03	Sudbury Contact	3,450	.05½	.06	.05½	.06
1	.09½	.03	Sudbury Mines	72,800	.03½	.04	.03½	.03½

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE (Transactions for Week to January 4)

Par Val.	Range 1935 High	Low	Company	Sales	Close Dec. 27 (or last)	High for week	Low for week	Close Jan. 4
[illegible]								

OIL STOCKS

[illegible]

Montreal, Toronto Listed and Curb Prices—Continued

Range 1935 High	Low	Divd. Rate $ in	Y'ld % Jan. 4		Sales	Close Dec. 28 (or last)	High	Low	Close
4.25	2.00	.	...	Walkerville Br.	1250	2.75	3.00	2.75	2.75
2.75	1.00	.	...	Waterloo Mfg.	115	1.50	1.50	1.25	1.25
7	2⅞	.	...	West. C. Flour.	160	7	7	6⅞	7
57	20	.	...	Do. pref.	79	55	65	55	65
50	32	2	4.2	West. Grocers	....	47	..	..	..
106	95	7	6.7	Do. pref.	10	104½	104½	104½	104½
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
17	13⅞	60c	4	Weston Ltd.	2078	14⅞	15⅞	14½	15½
115	106	7	6.4	Do. pref.	5	110	109⅞	109⅞	109⅞
8⅞	1½	.	...	Whittall Can.	25	8½	8½	8½	8½
121½	75	6.50	5.4	Do. pref.	2953	121	121½	121½	121½
3	1	.	...	Windsor Hotel	....	1	..	..	..
8	1	.	...	Do. pref.	....	1	..	..	..
3.25	.90	.	...	Winnipeg Elec.	490	2.75	3.00	2.65	2.65
14⅞	4	.	...	Do. pref.	35	13	14	14	14
30	20½	.	...	Wood, A & J. p	....	25	..	..	..
70	45	.	...	Woods Mfg. pf.	520	49⅞	58	50	55⅞
				Z					
5½	2½	.	...	Zimmerknit, c.	....	2⅞	..	..	..
85	63½	.	...	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934.
§ Quotations for 1933.
† Quotations for 1931.
. No sales recorded in 1935 to date.
b New York Quotations.
▲ On account of arrears.

Corporation Bonds

(Furnished by Toronto Bond Traders Assoc.)

January 7, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Jan. 7	Asked	Bid Dec. 30
‡Avalon 'Phone.	5½	'48	101	...	100½
Beauharnois	5½	'73	89½	92½	87½
Beauharnois	5	'73	31½	34	30
*Bell T'phone	5	'55	115	118	114½
*Do.	5	'57	116½	119½	116
†B. C. Power	5	'60	102½	105	102½
†Do.	5½	'60	103½	106	103½
†B. C. T'phone.	5	'60	105½	108	105½
†Calgary Pwr.	5	'60	100	103	99½
Do.	5	'64	97	100	95
†Can. Nor. Pr.	5	'53	102½	105	103
†Cedars Rapids.	5	'53	112	...	112
Dom. Gas	6½	'45	85½	88½	85½
§Duke-Price Pr.	6	'66	104	106	104
*Gatineau Pwr.	5	'56	92½	95½	91½
*Do., A	6	'41	84½	87½	82
*Do., B	6	'41	83½	86½	81
*Int'l. Hydro	6	'44	52½	55½	44½
†Maclaren-Que.	5½	'61	79	82	75
Do.	5½	'64	78	81	74
*Manitoba Pwr.	5½	'51	75½	78½	74
†Mtl. Island Pr.	5½	'57	104½	106½	104½
†Montreal Pwr.	5	'51	106½	109	106½
†Montr'l Tram.	5	'55	84	87	84
†Do.	4½	'55	79	82	79½
†Do.	5	'41	102	104	102
Nat'l. L. & P.	6	'49	95½	...	95
*N. B. Power	5	'37	89	...	89
†N. S. L. & Pr.	5	'58	103	106	103
†Ottawa Light.	5	'57	105½	108	105½
†Ottawa Val. Pr.	5½	'70	91	94	89½
†Power Corp.	4½	'50	91	93½	89½
*Quebec Pwr.	5	'68	105	107½	104
†Shawinigan	4½	'70	100½	102½	100
†Do.	5	'70	104½	107	104½
†S. Canada Pr.	5	'55	104	107	104
†United Secs.	5½	'32	79	82	79
†W. Koot. Pwr.	5	'56	106	108	106
†Western Pwr.	5	'49	105	108	105
*Winnipeg Elec.	5	'35	99	101½	99
*Do.	6	'54	76½	79½	75
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	41	44	39½
†Alta. P. Grain.	6	'46	98½	100½	97
‡Asbestos Corp.	5	'42	90	94	91½
B. A. Oil	5	'45	104	107	105
Do.	4	'45	101½	104½	102
†B. C. Pulp & P.	6	'50	82½	...	79½
Burns & Co.	5½	'48	83	...	83
Can. Biscuit	6½	'46	18	...	18
Canada Bread	6	'41	107	110	107
†Can. Cement	5½	'47	105½	107½	105
†Can. Paper	6	'45	101½	...	101½
‡Can. Ss. Lines.	5	'43	101½	...	101½
Do.	6	'41	48	51	41½
†Can. Canners	6	'50	105½	107½	105½
*Can. Int. Pap.	6	'49	80	83	79
C. P. R.	4½	'44	98½	100½	98
Do.	4	'49	98	100	97
Can. Rail & H.	6½	'51	45½	48½	40
†Can. Vickers	6	'47	87½	90½	83
Cons. Paper	5½	'61	31	34	28
†Dom. Canners.	6	'40	109	...	109
Dom. Sq. Corp.	6	'48	55½	...	55½
†Dominion Tar.	6	'49	102½	104½	102
†Donnacona P.	5½	'48	63	66	57½
†East. Dairies	6	'49	83	86	84½
†Fam. Players	6	'48	103½	...	103
†Do.	6½	'48	100½	103½	100
†Federal Grain	6	'49	100	102	100
Fraser Cos.●	6	'50	85	88	82
Do.▲	6	'50	80	84	77
†G. Steel Wares.	6	'52	100	103	100
Gt. Lakes Pap.	6	'50	46	49	43
†Gypsum, Lime.	5½	'48	94½	97½	93
Ham. Cottons	5½	'48	101	...	101
*Ham. By-Prod.	5	'55	97½	99½	...
*Hinde & Dauch	5½	'48	102	...	102
†I. P. & P. Nfld.	5	'68	102	104	102
Int. City Bak.	5½	'48	102½	105	102½
Kingston Elev.	6	'50	93½	96½	90½
Lake St. John P. & Pa.	6½	'47	93½	96½	90½
†Lon. Can. Inv.	4½	'48	85	88	84½
†Massey-Harris	5	'47	89½	92½	88
McColl-Front.	6	'49	105	107	105
†Mercury Mills.	5½	'53	37	...	36
M. & O. Paper.	6	'45	32	35	29
Mtl. Dry Docks	6	'48	75½	...	74
Price Bros. bds.	6	'43	93	96	88
*Prov. Paper	5½	'47	101½	...	101½
*Reliance Gr.	6	'48	101½	...	101½
‡Riordon Pulp	6	'42	104	106	104
†Rolland Paper.	5½	'48	104	...	104
†Simpsons Ltd.	6	'49	104	...	103½
Do.	5½	'49	101	...	100½
†Smith, How'd.	5½	'53	104½	107	104½
‡Steel of Can.	6	'40	111½	114½	111½
United Corpns.	5	'53	90½	93½	90½
United Grain	5	'48	99½	103	99½
Do.	5½	'49	101½	104½	101½
‡Wabasso Cotton	6	'47	107½	...	106½
Do.	7	'42	107½	...	107
Western Grain.	6	'49	84	88	82
Woods Mfg.	6	'43	101	...	101
Zimmerknit	6	'51	95	...	95

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. ●Unstamped. ▲Stamped.

Unlisted Mines

January 7, 1936

	Bid	Asked
Ardeen	.09	.10½
Arntfield Syndicate	.96	1.02
Athona (Gt. B. L.)	.39	.41
Bidgood Kirkland	.23½	.25½
Bankfield Gold	.34	.36
Bathurst	.00½	.01½
Bosquet Gold	.07⅞	.08½
Can. Pandora	.06	.07
Casey Summit	.11	.14
Canusa Mining	.05½	.06½
Casey Contact	.02	.03
Central Porcupine	.18½	.19
Cons. Chib. Free	1.40	1.47
Cons. Chib. Pool	1.33	1.37
Cuniptau	.15	.16
El Bonanza	.09½	.10½
Forty-Four Gold	3.50	4.00
Glenora Gold	.06½	.07½
Galatea	.07½	.08½
Goldside	.03	.04
Gold Eagle	.23	.25
Greenlaw	.04	.05
Hudson Patricia	.10½	.11½
Jellicoe	.04	.06
Johnson Nipigon	..	.02
Kirk. Gold Belt	.05	.07
Lafayette L. Lac	.03½	.04
La Palme	..	.03½
Long Lac Lagoon	..	.03½
Lamaque Gold	3.10	3.20
Leitch Gold	.34	.36
MacL. Cockshutt	.03½	.04½
Magnet Lake	.03½	.04½
Matachewan Can.	.13	.15
McCarthy Webb	.06	.07
Mosher	.01½	.02½
North Shores	.02	.03
Oklend	.28	.27½
O'Leary	.08½	.09½
Omega	.54	.56
Opemiska	1.60	1.65
Rice Lake	.01½	.02½
Shawkey	.63	.64
Sladen	.36	.38
Slave Lake	.57	.60
Smelter Gold	.03½	.04½
South Keora		.05½
Smith Cobalt	.06	.08
Springer	.07	.08
Straw L. Beach	.06	.08
Sturgeon R. Gold	.55	.59
Thom.-Cadillac	.03½	.05
Wells Long Lac	.09	.11
Wingold	.07	..
Wendigo	.12	.14
Young Davidson	.17	.19

Winnipeg Stocks

(Transactions from Dec. 30 to Jan. 4)

	Sales	High for period	Low for period	Close Jan. 4
B. & M. Synd.	2	.15	.15	.15
Cres. Cream., p.	1	.30	.30	.30
Flin Flon	2,350	.27	.26	.27
Gold Lake	1,500	.27	.25	.25
Laguna	100	.43	.43	.43
Island Lake	5,667	.03½	.02½	.03½
Knee Lake	3,300	.13	.09	.09
Northern Mtge.	80	3	2	3
Northern Trust	20	7	7	7
Ore Grande	4,500	.07½	.07½	.07½
Packsack	100	.12	.12	.12
Shawkey	100	.65	.65	.65
United Grain	101	.12½	.12	.12½
West Breweries	50	1.90	1.85	1.90
Wingold	8,910	.08½	.07	.08½
Wylie	8,000	.22	.20	.21

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Beaver Lumber, c.	..	3
Do., pref.	..	69
City Dairy, A	..	10
Comm. Securities	8	10
Dom. Envelope, c.	1	2
*Do., pref.	92	95
Federal Grain, pfd.	48	50
Home Investment	..	24
Pelissiers	..	30
Do., pref.	28	..
Traders Bldg.	65	..

*Stocks more active on other exchanges not included.

Listed Bonds

Week Ending Jan. 6, 1936

	Int. rate	Due	High	Low	Range 1935 High	Low
Mtl. L. H. & P. Debs.	3	'39	50	..	50⅞	48
McNish	6	'43	3.60	..	4.00	3.25
Unlisted:						
Cons. Paper	5½	'61	33	28½	37⅞	13
Price Bros.	6	'43	93½	—	—	—

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

January 7, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	3.50	4.00
Do., pfd.	[illegible]	5.20
Acme Farmers Dairy, pfd.	[illegible]	40.00
Algoma Steel New, com.	[illegible]	40.00
Do., pfd.	[illegible]	85.00
Andian National	[illegible]	48.50
B. C. Pulp & Paper, com.	[illegible]	2.00
Burns & Co., A	[illegible]	12.00
Do., B	[illegible]	7.50
Canada Starch, pfd.	[illegible]	...
Canada Tea, pfd.	[illegible]	...
Can. Tube, 1st pfd.	[illegible]	...
Can. Wire & Cable, pfd.	[illegible]	95.00
Can. Industries A, com.	[illegible]	...
Do., com.	[illegible]	227.50
Do., pfd.	[illegible]	163.00
Can. Paperboard, pfd. bonus	[illegible]	6.00
Can. Westinghouse	[illegible]	67.00
Chase, A. W., pfd. bonus	[illegible]	...
Dom. Found. & St. c. (New)	[illegible]	...
Do., pfd. (New)	90.00	...
Donnacona Paper A	[illegible]	5.00
Dunlop Tire, pfd.	[illegible]	...
Edm. City Dairy, pfd.	[illegible]	...
Federal Grain, com.	[illegible]	3.25
Federal Grain, pfd.	[illegible]	52.00
Goderich Elevator	[illegible]	...
Greening Wire, pfd.	[illegible]	100.50
Guelph Carpet, pfd.	[illegible]	103.00
Do., com.	[illegible]	18.00
Highland Dairy, com.	[illegible]	3.25
Do., pfd.	[illegible]	80.00
Mercury Mills, pfd.	[illegible]	8.50
Morrow Screw, pfd.	[illegible]	...
New Meth. Laund. p. bonus	[illegible]	...
Provincial Paper, pfd.	[illegible]	...
Reliance Grain, pfd.	[illegible]	91.00
Rob. Cons. Cone	[illegible]	10.50
Ruddy, E. L., pfd.	[illegible]	...
Silverwood's Dairies, pfd.	[illegible]	...
Std. Fuel, pfd. bonus	103.50	105.50
Supertest Pet. B pfd.	27.50	29.50
Toronto Carpet, pfd.	30.00	35.00
United Steel A pfd.	4.75	5.50
West. Grain, pfd. bonus	17.00	19.00
Willards Choc. pfd.	9.00	...
Trust & Loan Stocks:		
Chartered Trust	76.00	80.00
London & West. Trust	36.00	37.50
Premier Trust	87.00	95.00
Sterling Trust	30.00	35.00
Traders Finance B pfd.	65.00	...
Trusts & Guarantee	30.00	...
Sherbrooke Trust	110.00	...
Insurance Stocks:		
British America	36.50	38.50
Canada Life	515.00	525.00
Canadian Fire	76.00	78.50
Can. Ins. Shares, com.	9.50	10.50
Confed. Life 20% pd.	115.00	119.00
Continental Life 20% pd.	36.50	40.00
Crown Life Ins.	108.00%	...
Dominion Fire	111.00	120.00
Dominion Life 50% pd.	260.00	300.00
Dom. of Canada Gen.	91.00	...
Empire Life 25% pd.	5.75	7.00
Excelsior Life 30% pd.	69.00	72.00
Federal Fire 25% pd.	35.00	39.00
Fidelity Ins. of Can.	46.00	50.00
Great West Life	391.00	400.00
Guar. of N. A. fully pd.	246.00	...
Halifax Fire	20.50	21.75
Imperial Life	335.00	...
Manufacturers Life	253.00	258.00
Monarch Life 10% pd.	17.50	19.50
National Life 25% pd.	50.00	60.00
Sovereign Life 25% pd.	14.50	17.00
Sun Life	425.00	445.00
Toronto General	4.50	5.25
Western Assurance, com.	36.00	37.25
Do., pfd.	39.50	41.00
Theatre Stocks:		
Allens Beach, pfd.	59.00	...
Do., Calgary, com.	7.00	9.00
Do., Kingston, pfd.	52.00	...
Do., Parkdale, pfd.	42.00	45.00
Do., Tor. pfd. bonus com.	28.00	32.00
Loew's London pfd.	1.80	2.10
Mansfield Theatre, pfd.	29.00	...
Para. Kitchener, pfd.	30.25	35.00
Do., Oshawa, pfd.	61.00	...
United Amusement, A	15.00	...
Do., B	14.00	...
Investment Trust Shares:		
Can. Gen. Invest.	8.00	8.35
Can. Investors Corp.	7.25	8.00
Can. Int. Trust Units	33.00	...
Cons. Div. Std. Sec. Units	10.50	11.75
Debenture & Sec. pfd.	36.00	40.00
Dom. Scottish Inv. Units	26.75	29.00
Foreign Power Sec. pfd.	7.50	9.00
Invest. Foundation Units	45.50	...
Sec. Holding Units	15.00	...
United Corpns. A	23.00	23.50
Do., B	3.00	3.60
Power Issues:		
Can. Light & Power, com.	21.00	24.00
Can. Pub. Service, pfd.	29.00	...
Can. West. Nat. Gas, pfd.	90.50	91.50
Do., com.	23.00	...
Great Lakes Pwr., pfd.	80.50	...
N. B. Telephone, com.	10.50	11.50
Nor. Ont. Power, pfd.	98.50	101.00
Nova Scotia L&P pfd.	99.25	100.50

Recent London Quotations:

British Columbia Tele., pfd.	$105
Brewers & Distillers	5s. 6d.
Canada Company	7s. 6d.
Canadian & Foreign Securities	4s.
Canadian Collieries, $1 c.	1½d.
Do., pref., $10	4½d.
Canada N. W. Land	10s.
Canadian Western Lumber	1s. 6d.
Third Can. Gen. Inv.	6s. 6d.
Hudson's Bay	19s.
Do., pref.	102s. 6d.

Dividends Declared

	This payment	Date payable	Date of record
Brewing Corp., pfd.	37½c	Jan. 15	Dec. 31
B. C. Elec. Rly. pfd.	2½%	Jan. 15	Jan. 5
Brant. Cord. pf.	50c	Jan. 15	Dec. 20
Bell Telephone	$1.50	Jan. 15	Dec. 23
B. C. Power, A	37c	Jan. 15	Dec. 31
Bruck S. Mills	30c	Jan. 15	Dec. 16
Beatty Bros 1st pfd.	$1.50	Feb. 1	Jan. 15
Biltmore Hat, c.	$1.25	Jan. 23	Jan. 15
Can. North. Pr.	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Bronze	15c	Feb. 1	Jan. 20
Do., bonus	50c	Feb. 1	Jan. 20
Do., pref.	$1.75	Feb. 1	Jan. 20
Can. Gen. Inv.	10c	Jan. 15	Dec. 31
Can. L. & Pr.	50c	Jan. 15	Dec. 31
Coniagas Mines‡	12½c	Jan. 10	Dec. 31
Calgary Power, pfd.	$1.50	Feb. 1	Jan. 15
Can. Indus. A & B	$1	Jan. 31	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. South. Ry.	$1.50	Feb. 1	Dec. 27
Can. Light & Pr.	50c	Jan. 15	Dec. 31
Can. Fairbanks, pf.	$1.50	Jan. 15	Dec. 31
Can. Dredge, c.	$1	Feb. 1	Jan. 15
Do., bonus	$1	Feb. 1	Jan. 16
Community Trusts	62½c	Jan. 15	Dec. 31
Dom. Textile pref.	$1.75	Jan. 15	Dec. 31
Dome Mines	50c	Jan. 20	Dec. 31
Do.	50c	Apr. 20	Mar. 31
East. Theatres, pf.	$3.50	Jan. 31	Jan. 15
Frost Steel, 1st pf.	$1.75	Feb. 1	Jan. 18
Gt. Lakes Pwr., pf.	$1.75	Jan. 15	.....
Gurd, Chas., pf.	$1.75	Feb. 15	Feb. 1
Guar. of N. Amer.	$1.50	Jan. 15	Dec. 31
Do., extra	$2.50	Jan. 15	Dec. 31
Hollinger Cons.	5c+5c	Jan. 28	Jan. 13
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Bronze	25c	Jan. 15	Dec. 31
Do., pref.	37½c	Jan. 15	Dec. 31
Inter. Milling, pf.	$1.25	Jan. 15	Jan. 4
Int. Nickel, pf.	$1.75	Feb. 1	Jan. 2
Inter. Paint, pfd.*	$1.12½	Jan. 15	Dec. 31
Invest. Found. pf.	38c	Jan. 15	Dec. 31
Do., on arrears	12c	Jan. 15	Dec. 31
Little L. Lac Gold	10c	Jan. 20	Dec. 19
McColl-Fron. pf.	$1.50	Jan. 15	Dec. 31
McIntyre Mines	50c	Mar. 2	Feb. 1
Mill City Pet.	†5c	Feb. 21	Jan. 31
Mtl. L. H. & Pr.	38c	Jan. 31	Dec. 31
Mtl. Telegraph	80c	Jan. 15	Dec. 31
Montreal Trams.	$2.25	Jan. 15	Jan. 6
Nipissing Mines	25c	Jan. 20	Dec. 31
Nat. Biscuit	40c	Jan. 15	Dec. 13
Penmans	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Premier Gold	3c	Jan. 15	Dec. 16
Do., extra	1c	Jan. 15	Dec. 16
Power Corp., pf.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	75c	Jan. 15	Dec. 31
Russell Motor pf.	$1.75	Feb. 1	Dec. 31
Do., on arrears	$1	Feb. 1	Dec. 31
St. Law. Flour	50c	Feb. 1	Jan. 20
Do., pref.	$1.75	Feb. 1	Jan. 20
South. Can. Pr. pf.	$1.50	Jan. 15	Dec. 20
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$1.42½	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan. 7
South. Can. Pr., c.	20c	Feb. 15	Jan. 31
Shawinigan	15c	Feb. 15	Jan. 20
Toburn	2c	Feb. 21	Jan. 21
Tor. Elevators, pf.	$1.75	Jan. 15	Jan. 2
Tuckett Tob., pfd.	$1.75	Jan. 15	Dec. 31
Un. Bond & Sh.	10c	Jan. 15	Dec. 27
Un. Gold Equit.	2½%	Jan. 15	Jan. 3
Unit. Securities	50c	Jan. 15	Dec. 26
West. Grocers	50c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Westminster Paper	20c	May 1	.....
Ymir Yankee†	2c	Feb. 1	Dec. 31

‡Interim.
†Initial.
*For six months ended Dec. 31, 1931.

Silver Prices

Trading in Montreal
Dec. 30 to Jan. 4

	High	Low	Close	Contracts
Jan.	50.30	48.00	48.00	13
Mar.	51.15	50.00	47.50	9
May	51.00	50.50	47.50	5

Investment Trusts

	Bid	Asked
Canadian Investment Fund	3.95	4.10
Grouped Income Shares	5.21	5.70
Canada Amer. Trust	3.35	3.85
Trans-Canada	11.25	...
Can. Equity Shs.	11.50	...
All Can. Com. Trustee Shs.	11.00	11.50

Bank Chat

Bank of Canada

THE Bank of Canada appears scheduled for the headlines again. Word comes from Ottawa that when Parliament assembles next month, the question of nationalization will be considered.

Meanwhile, shareholders, bankers and the public generally seem apathetic. It is evidently felt by shareholders that the administration cannot but afford to give them a square deal if the nationalization programme is effected through the calling of their stock. Bankers consider that the change will make practically no difference in the operating policy of the central institution. As for the public, most people apparently feel that there are much more exciting things to worry about.

* * *

Damaged Notes

WHAT happens when banknotes are accidentally destroyed?

Although Canada boasts no scientific investigation bureau such as is maintained in the United States, a thorough hearing is afforded any claimant, and, if his claim is proved, the damaged notes are replaced. However, if the bills have been entirely destroyed, chances of recovery are slight. The amount for which claims are received is relatively small. An official of one of our large banks states that in the course of a year a total of $10,000 may be asked from his bank for replacement purposes. Most claims are for single bills.

Most of the damaged notes have been either burned or torn. However, the odd case is encountered where a playful puppy has munched an expensive mouthful of bills. Instances of money left in clothing when sent to be laundered also turn up. When run through a steam laundry a paper note can be made remarkably white. In such cases there is usually sufficient of the note left for purposes of identification.

* * *

Interest Cut

ANOTHER illustration of banks' increasing difficulty in profitably investing an increasing volume of funds is afforded by the discontinuing of interest on big current accounts. So much has been said and written on this phase of the banking situation that the action was not altogether unexpected.

Some current accounts have not been interest bearing and these were increased last summer when only deposits of more than $50,000 continued to pay interest—and those at a reduced rate. The cut at the beginning of the year places all current accounts in the non-interest bearing class. The only other change in interest was made on deposit receipts. All such deposits are currently bearing one per cent, whereas formerly those of more than 90 days yielded 1½ per cent.

With the sharp rise in deposits over the past few years, the ratio of demand to savings deposits has also advanced. On the other hand the greatly restricted field in which they could be profitably employed is seen in the 18 per cent reduction in Canadian loans over the past three years and in the increase of well over 50 per cent in the banks' investment portfolios.

* * *

Townsend's Pension

THE Aberhart of the United States, Dr. Francis E. Townsend, has been dubbed "King Canute" by an official of the U. S. Bureau of the Census. The title was conferred because it was considered that Dr. Townsend would revise the scientific law of arithmetic in much the same manner as the legendary chieftain attempted to overcome the law of the tides.

Under the Townsend plan, whereby everyone over 60 years of age would receive $200 a month, it is claimed that pensioners would receive more than all the rest of the population of the country. On the basis of 1932 figures, the proportion is estimated at $26 billions for pensioners to $23 billions for the rest. In terms of per capita figures, this would give each pensioner $2,400 as his yearly income, those who would have to pay the bill receiving but $210.

Life begins at age 60.

* * *

Copper Shortage

THE shortage of coppers in some larger cities in the weeks before Christmas was not confined to this country. Evidently, Newfoundland shopping was equally brisk and required, proportionately, as many of the one-cent coins. Determined that they won't be caught short again, the Commission of Government is asking Dominions office sanction to mint and import 300,000 one-cent pieces.

Royal Closes Whitby Branch

The Royal Bank of Canada has closed its branch in Whitby, Ont. All accounts formerly carried by the branch have been taken over by the Dominion Bank.

Increase in Call Loans Hoists Index of Credit

More Active Security Markets and Lower Demand Deposits Lift November Index to 45.7 — Trend is Toward Long-term Investment

Credit conditions in Canada improved in November.

Although the sharp upward trend of investment of bank funds in securities was continued, this was more than offset by a substantial rise in Canadian call loans. For the first time in several months deposits were slightly lower than in the preceding month.

As a consequence, The Financial Post credit index, based on the percentage of call and current loans in Canada to Canadian public deposits, rose from 44.4 in October to 45.7. Changes in total loan, investment and deposit figures as shown by the combined statements of the ten chartered banks, are as follows:

Use of Bank Credit in Canada
(In Millions of Dollars)

	Nov. 1935	Oct. 1935	Ch.	Nov. 1934	Ch.
Loans	1,075.5	1,055.7	+19.8	1,101.8	— 26.3
Inv'ts	1,137.0	1,115.9	+21.2	919.6	+217.4
Total	2,212.5	2,171.6	+40.9	2,021.4	+191.1
Depos.	2,087.4	2,090.5	— 3.1	1,973.1	+104.3

The trend from short term investments into those with maturities of longer than two years was extended during the month. Holdings of long term government securities rose by more than $35 millions, while those of shorter maturities dropped $7.5 millions.

Although this switch means some increase in the return received by the banks, through the higher yield on long term issues, the general movement to investments instead of loans continues to restrict earning power.

Bond Financing

The increase in loans was almost entirely in those to finance security dealings, particularly bond transactions.

Current loans, reflecting largely the demand for reasonable credit accommodation by industrialists, were up $1.2 millions over the previous month. Letters of credit, another form of bank credit, advanced $5.1 millions.

The decline in public deposits in Canada was due to a drop of almost $12 millions in current accounts; savings deposits rose $8.8 millions.

Government deposits moved sharply higher by $25.7 millions and foreign deposits were also greater.

ASSETS
Immediately Available Liquid Assets

	November 1935 $	October 1935 $	Change $	November 1934 $	Change $
Canadian coin	5,047,982	5,578,995	—531,013	‡231,729,052	—3,248,734
Bk. of Can. notes	36,709,251	38,655,673	—1,946,422		
Bk. of Can. deposits	186,723,085	190,854,376	—4,131,291		
Bank's cash	228,480,318	235,089,044	—6,608,726	231,729,052	—3,248,734
Other bank notes	6,432,130	5,707,866	+724,264	7,862,370	—1,430,240
Gold & sub. coin ab'd	9,738,050	10,906,033	—1,167,983	10,332,583	—594,533
Foreign banks	131,626,487	118,311,759	+13,314,728	105,411,989	+26,214,498
Foreign curr.	23,236,277	22,914,449	+321,828	24,518,137	—1,281,860
Gov. sec. short term	348,509,746	355,980,463	—7,470,717	397,875,014	—49,365,268
Do., long term	596,790,831	561,660,376	+35,130,455	354,386,204	+242,404,627
Call loans abroad	59,711,214	52,130,116	+7,581,098	107,221,320	—47,510,106
	1,404,525,053	1,362,700,106	+41,824,947	1,239,336,669	+165,188,384
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	99,214,857	100,529,828	—1,314,971	90,125,374	+9,089,483
Public secs.†	39,694,568	42,323,625	—2,629,057	39,370,426	+324,142
Other secs.	52,794,410	55,375,328	—2,580,918	37,838,560	+14,955,850
Can. call loans	95,901,988	73,758,684	+22,143,304	98,473,002	—2,571,014
Current loans	856,839,840	855,599,556	+1,240,284	871,892,870	—15,053,030
Loans abroad	138,965,853	153,041,866	—14,076,013	133,257,611	+5,708,242
Prov. loans	22,585,150	29,625,578	—7,040,428	24,815,437	—2,230,287
Mun. loans	100,196,754	96,670,586	+3,526,168	106,577,952	—6,381,198
	1,406,193,420	1,406,925,051	—731,631	1,402,351,232	+3,842,188
Other Assets					
Non-curr. loans	13,469,731	14,252,539	—782,808	13,969,781	—500,050
Real estate	8,607,518	8,859,429	—251,911	7,704,047	+903,471
Mortgages	5,330,533	5,453,693	—123,160	5,711,570	—381,037
Premises	76,114,904	76,394,127	—279,223	77,754,988	—1,640,084
Letters of credit	59,425,443	54,328,225	+5,097,218	49,343,885	+10,081,558
Loans to comp.	10,979,244	12,910,043	—1,930,799	13,146,755	—2,167,511
Other assets	1,706,548	1,911,251	—204,703	1,557,202	+149,346
	175,633,921	174,109,307	+1,524,614	169,188,228	+6,445,693
Total	2,986,352,394	2,943,734,464	+42,617,930	2,810,876,129	+175,476,265
Note circ. deb.	6,869,389	6,869,389	....	6,707,486	+161,903
Int. bank bal.	98,535,958	108,033,121	—9,497,163	100,681,794	—2,145,836
Gross	3,091,757,741	3,058,636,974	+33,120,767	2,918,265,409	+173,492,332
LIABILITIES					
To the Public					
Circulation	130,526,762	126,468,158	+4,058,604	139,995,879	—9,469,117
Dom. Govt.	38,593,102	12,902,070	+25,691,032	31,103,012	+7,490,090
Prov. Govt.	47,541,064	47,097,040	+444,024	31,081,345	+16,459,719
Bank advances	....	....		36,944,000	—36,944,000
Deposits by Public					
Demand dep.	613,269,891	625,206,281	—11,936,390	561,733,762	+51,536,129
Savings dep.	1,474,122,395	1,465,301,708	+8,820,687	1,411,317,113	+62,805,282
Total	2,087,392,286	2,090,507,989	—3,115,703	1,973,050,875	+114,341,411
Foreign dep.	382,658,439	376,661,721	+5,996,718	326,534,115	+56,124,324
Due to Banks Abroad, Etc.					
United Kingdom	12,299,964	9,906,679	+2,393,285	5,576,557	+6,723,407
Foreign	27,725,433	28,094,425	—368,992	22,156,286	+5,569,147
Bills payable	1,474,403	2,060,310	—585,907	939,673	—534,730
Letters of credit	59,425,443	54,328,225	+5,097,218	49,343,885	+10,081,558
Other liabs.	2,705,352	2,335,754	+369,598	2,248,703	+456,649
Total public liab.	2,790,342,248	2,750,362,371	+39,979,877	2,618,974,330	+171,367,918
Due bet. banks	12,253,796	15,084,692	—2,830,896	11,713,462	+540,334
Liability to Shareholders					
Dividends	2,950,309	2,544,813	+405,496	2,408,469	+541,840
Reserve	132,750,000	132,750,000	....	132,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,083,796,353	3,046,241,876	+37,554,477	2,911,346,261	+172,450,092
Credit [illegible]	45.7%	44.4%	1.3%	49.1%	3.4%

‡Gold, coin and Dominion notes in Canada.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.
†Other than Canadian.

Foreign Exchange Markets

The Canadian dollar gained slightly in terms of most foreign currencies over the past week. Against sterling the dollar strengthened two cents.

Further weakness was evident in the gold bloc currencies. France is still believed to hold the key to the future monetary policy of these countries, as it is understood that they will follow her lead. While the French devaluation group has been gaining strength, Laval continues to hold the whip hand.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Dec. 30	Dec. 31	Jan. 2	Jan. 3	Jan. 4	Jan. 6
U. S. dollar, High	.5906	1.00 11/16	1.00 9/16	1.00 9/16	1.00 5/16	1.00 11/32	1.00 5/16
Low	.5906	1.00⅝	1.00 9/16	1.00 11/32	1.00 5/16	1.00 9/32	1.00 7/32
1934, High	.5906	0.99 11/32	0.99⅜	0.99¼	0.99⅜	0.99½	0.99 9/16
Low	.5906	0.99 11/32	0.99⅜	0.99⅛	0.99	0.99 5/16	0.99 7/16
U. K. pound	4.8665	4.96¼	4.95¾	4.94¾	4.94⅛	4.94½	4.94¼
Argentina	.4246	.2728	.2727	.2725	.2724	.2699	.2698
Australia	4.8665	3.9641	3.9617	3.9507	3.9476	3.9496	3.9481
Austria	.1407	.1897¾	.1896½	.1895½	.1888¼	.1889½	.1889¾
Belgium	.1392	.1697½	.1698	.1691¾	.1688¾	.1689¾	.1688¼
Brazil	.1963	.0563½	.0563	.0551¾	.0551½	.0551¾	.0551
Czechoslovakia	.0296	.0418¾	.0418¾	.0418	.0416½	.0415½	.0416
Denmark	.2680	.2216¾	.2214¼	.2209½	.2207	.2208½	.2207½
France	.0392	.0665¾	.0666¼	.0664	.0661½	.0661¾	.0661½
Germany	.2382	.4051	.4048½	.4039¾	.4035¼	.4037¾	.4034
Greece	.013	.0095	.0095	.0094½	.0094½	.0094¾	.0094½
Holland	.4020	.6833½	.6839¼	.6815	.6805	.6808¼	.6805
Hungary	.1749	.2968½	.2991¾	.2985¼	.2973¼	.2975	.2972½
India	.3650	.3776½	.3774	.3768	.3765½	.3768	.3765¼
Japan	.4985	.2898	.2898¼	.2890	.2888	.2890	.2887
Jugoslavia	.1929	.0231½	.0231¾	.0230¾	.0230½	.0230¾	.0230½
New Zealand	4.8665	4.0041	4.0017	3.9907	3.9873	3.9894	3.9879
Norway	.2680	.2494	.2492	.2486½	.2485	.2486½	.2485
Poland	.1122	.1906	.1905	.1902	.1896	.1896	.1897
South Africa	4.8666	4.9402	4.9372	4.9236	4.9196	4.9221	4.9203
Spain	.1929	.1379½	.1380¾	.1376	.1372	.1371½	.1371½
Sweden	.2680	.2559¼	.2557¼	.2551	.2549	.2550¾	.2550
Switzerland	.1930	.3278¼	.3275¾	.3264	.3257	.3259	.3260½
Hong Kong	.5422	.3260¼	.3233	.3155¾	.3179	.3186	.3183

Banks and Creation of Money

Despite Excellent Dinner to Bolster Argument, Remford Manufacturer Fails to Convince His Guests That There is Anything in Old Money Manufacturing Legend

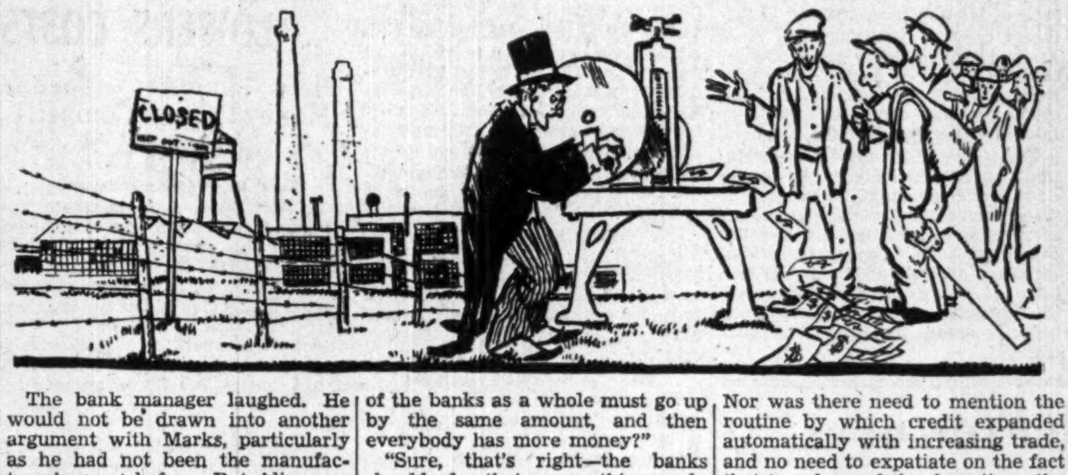
By PETER THOMSON

The dinner had been excellent. Alan Campbell was filled with a sense of satisfaction. "What a superb view," he reflected as Alice, just back from college, seated herself at the opposite end of the chesterfield. Acting as hostess for her father for so many years had given the girl a poise unusual in one of her years; as she stirred her coffee, she appeared unaware of the admiration in his eyes.

Across the room sat Edward P. Marks, lighting his cigar, "Ah," he murmured to himself with that peculiar inflection which always signifies that replete, yet withal comfortable feeling which follows a large and excellent dinner. Between sips from the liqueur glass at his elbow he said:

Money Out of Air

"Well, Campbell, here's to you bankers. You're lucky fellows. You make money out of thin air, out of nothing, and the more you create, the more profits you make."



The bank manager laughed. He would not be drawn into another argument with Marks, particularly as he had not been the manufacturer's guest before. But Alice was not loath to start a discussion. "Now just what do you mean by that, Dad?" she asked.

"You wouldn't understand, my dear," answered Marks, "but the banks can increase or decrease the sum total of their deposits at will—it all depends on whether they want more money or not."

Campbell felt that he did not need to argue the point. His host was obviously not annoyed over the powers which he attributed to bank presidents. But such ideas seemed new to Alice who pursued the subject. "Then these bankers, like Mr. Campbell here," laughed Alice, "will definitely make money scarce to make as much interest as possible."

"Oh I didn't mean Campbell, but his bosses do just that thing, don't they, Campbell?" was the reply.

Increasing Deposits

"I've never heard it put quite that way before," was his guest's first contribution to the discussion, "simple country bankers like myself believe that the more money we have, the more we make."

"Oh, Daddy, you're not serious, though, are you?" suggested Marks's daughter.

"I don't want to hurt Campbell's feelings," smiled Marks, "but the banks do just that thing. If they want more money in circulation, all they do is buy more government bonds—"

"—and do you mean to say, Dad, that that makes more dollar bills?" asked Alice round-eyed.

"Not exactly dollar bills," said Marks, "but it increases the deposits at all the banks. You see, Alice, when a bank buys a million dollars worth of bonds it merely credits someone's account with the million. And having credited someone's account, it consequently has another million which it promptly loans to someone else. But I mustn't bore you with such an intricate topic."

Before Alan could make a rejoinder to this exposition of banking, Alice asked: "And if Mr. Campbell makes a loan, then the deposits of the banks as a whole must go up by the same amount, and then everybody has more money?"

"Sure, that's right—the banks should do that very thing—only Campbell here won't admit it," answered her father.

"I admit all accusations after such a delightful dinner," interjected Campbell.

"That's a charming, but very easy way of answering Dad," was Alice's way of telling the guest that she respected her father's opinions. The banker felt sorry for his remark; obviously the girl was determined to champion Marks's views. She continued by saying: "If the bankers would lend more money everyone would have larger bank accounts, more goods would be bought and that would end unemployment."

"Sure, sure, that's what they should do," responded Marks. "the banks should increase their deposits by 300 million right away. It would improve conditions immensely."

Money and Trade

A smile spread over Alice's features, "But, Dad," she asked ever so meekly, "would larger bank accounts mean that we could sell more wheat to England, more newsprint to the States, or that the actual exchange of goods would increase? I can see no connection between the number of pieces of paper which we use for accounting, be they bank notes, cheques, or bank ledger sheets, and the number of new dresses I can trade for your leather goods. My dressmaker would still want two pairs of your shoes for a new evening cloak."

Marks coughed. With a frown he said: "Of course....the relation between money and trade....I mean the effect of—"

Expanding Credit Dangers

But his daughter interrupted him. She turned to Campbell and with a laugh said: "I've tied him up, now you put him in the bag." But with banker's caution Alan Campbell ruminated before opening his mouth. He felt the point had been driven home well enough. He sensed there was no need to mention the adverse effect on foreign exchange of expanding credit by artificial means. Nor was there need to mention the routine by which credit expanded automatically with increasing trade, and no need to expatiate on the fact that to safeguard the depositors, the banks must always maintain an adequate relation between their loans, deposits and actual cash on hand in the till, or cash deposited with the central bank.

Instead of prolonging the discussion he remarked: "You're a very smart girl. It improves my mind to listen to you."

"I could teach you a little of all I know, Alan," she admitted. She accented the Christian name ever so slightly.

Campbell was so competent in business that inwardly he felt that he would be the one to provide the instruction. Falling into the delicate trap he asked: "May the first lesson begin at next Monday's dance?"

"H'm," said Marks.

Editor's Note.—Alan Campbell, Remford banker, will continue his explanations of the mysteries of banking in future issues of The Financial Post.

Fixed Trust Regulation Recommended in England

Certificates of recognition for fixed trusts have been recommended by a London Eng., stock exchange investigating committee. To obtain the certificates, full information regarding the composition and management of the trusts will be necessary.

The move for regulation was not unexpected in view of the remarkable growth in fixed trust business in Great Britain in recent years. About £45 millions, a large portion in small savings, has been invested in the trusts since they were introduced into the country from America four or five years ago. Further growth is anticipated.

The report states that there is no cause for misgiving, but that the form of investment provides a means of obtaining money without affording in return safeguards in legislation such as do other forms of investment.

Revise Pension Fund

The Pension Fund Society of the Bank of Montreal will apply to the next session of the Federal parliament for an act to amend its act of incorporation. It asks clearer definition of its powers in connection with the acquisition and disposal of immovable property and the investment of its fund.

Weekly Bank Clearings

	Jan. 2 1936 $	Change year ago %	Dec. 26 1935 $
Halifax	1,877,158	+ 5.5	1,982,547
Saint John	1,455,481	— 12.9	1,370,940
Moncton	660,548	+ 11.8	651,293
Sherbrooke	585,351	+ 16.8	516,477
Quebec	4,053,549	+ 7.6	3,867,950
Montreal	84,157,751	— 30.8	80,066,312
Ottawa	45,956,585	+990.0	16,154,856
Kingston	548,667	+ 6.4	385,669
Peterborough	676,354	— 8.8	586,120
Toronto	106,215,406	— 27.3	100,850,857
Hamilton	3,567,751	— 5.1	3,684,417
Brantford	912,112	— 17.2	948,848
Kitchener	1,160,642	+ 8.7	1,021,327
London	3,099,034	— 8.4	1,947,174
Chatham	476,030	+ 13.8	526,148
Windsor	3,257,852	+ 68.5	2,340,109
Sarnia	358,986	— 19.1	477,578
Sudbury	839,362	+ 26.0	641,916
Fort William	546,835	— 3.1	549,391
Winnipeg	41,157,169	— 0.06	40,026,367
Brandon	254,869	— 25.6	223,467
Regina	3,322,187	— 21.4	2,934,605
Moose Jaw	561,072	— 0.4	452,688
Saskatoon	1,407,555	+ 0.3	1,097,249
Prince Albert	317,185	— 0.6	221,336
Edmonton	3,778,763	— 3.1	2,681,978
Calgary	5,205,130	+ 15.1	4,408,114
Medicine Hat	261,039	+ 69.0	228,857
N. W'minster	550,476	+ 2.6	612,081
Vancouver	17,340,483	+ 15.0	12,274,347
Victoria	1,179,835	— 23.0	1,460,169

Yearly Bank Clearings

	1934 $	1935 $
Halifax	110,685,559	112,710,681
Saint John	84,066,825	84,059,113
Moncton	34,991,249	35,753,000
Sherbrooke	28,628,148	28,659,155
Quebec	200,669,727	207,012,322
Montreal	4,653,226,857	4,582,416,573
Ottawa	219,698,923	1,076,864,472
Kingston	26,825,520	26,779,593
Peterborough	30,920,440	31,325,062
Toronto	5,643,522,459	5,720,065,081
Hamilton	191,235,709	197,844,548
Kitchener	50,268,751	50,410,984
Brantford	38,456,332	41,207,595
London	128,018,177	134,707,964
Windsor	104,459,995	115,902,842
Sarnia	20,886,635	23,082,010
Sudbury	34,881,465	38,895,230
Fort William	32,061,443	30,651,099
Winnipeg	2,676,160,032	2,622,557,766
Brandon	15,458,967	15,020,604
Regina	181,277,356	191,995,407
Moose Jaw	24,740,854	27,283,900
Saskatoon	65,343,280	74,956,723
Prince Albert	14,357,763	18,437,203
Edmonton	189,164,864	199,411,079
Calgary	255,085,201	292,584,549
N. W'minster	25,028,251	27,463,591
Vancouver	755,532,352	781,264,535
Victoria	73,931,173	79,007,796

Bank of Canada Weekly Statement

Last week's statement of the Bank of Canada is featured by a drop of $16.6 millions in government deposits. This is reflected in the liabilities in decreases of $5.4 millions in sterling reserve, $4.6 millions in reserve in United States and $4.2 millions in government short term security holdings.

The changes reflect in part the transfer of funds to meet foreign obligations, largely interest payments.

Balance Sheet

	Dec. 31 $	Dec. 24 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	99,677,229	98,654,683
Dep.: Dominion	17,916,659	34,552,705
Banks	181,636,034	180,265,690
Other	766,255	1,190,912
Total deposits	200,318,948	216,009,307
All other liabs.	2,658,974	94,131
Total liabs.	307,655,151	319,758,121
Assets		
Reserve: Gold	180,509,343	180,824,115
Silver bullion	1,638,366	1,318,892
Res. in sterling	219,235	5,654,746
Res. in U. S.	4,003,866	8,624,113
Res. elsewhere	9,215	11,656
Total reserve	186,380,025	196,433,522
Subsidiary coin	128,778	133,875
Adv. to govt.	3,465,812	2,220,625
Investments:		
Dom. govt. short.	30,873,169	35,091,073
Other Dom. govt.	83,409,676	83,404,132
Total invest.	114,282,845	118,495,205
Premises	111,911	128,449
All other assets	3,285,780	2,346,445
Total assets	307,655,151	319,758,121
Reserve ratio	62.12%	62.42%

Silver Declines

Silver produced in Canada in September amounted to 1,311,911 fine oz., compared with 1,585,144 in August and 1,311,911 last year

BANK DEBITS UP IN ALL PROVINCES EXCEPT PRAIRIES

But Down Two Per Cent from November, 1934

Gains in all five economic areas, with the exception of the Prairie Provinces, resulted in an increase of more than $100 millions in November bank debits over the previous month. The advance was about one per cent more than normal for the season. The Maritimes, with an increase of well over 26 per cent, reported particularly active banking business, while Quebec was not far behind with a gain of 20 per cent.

Cumulative Total Lower

Compared with November, 1934, there was a decline of $71 millions, or 2.3 per cent, but all areas except Ontario showed gains. Comparative figures for the first eleven months of 1935 show that declines in Ontario and Quebec more than offset advances in the other provinces. There was a net decrease of four per cent. The Quebec figures were influenced chiefly by declines in Montreal and Sherbrooke, and the Ontario total by a drop in Toronto debits.

The percentage of bank debits to deposits was 144.5 in November, compared with 161.7 in the same month a year ago. A considerable increase in deposits was reported for the month.

Debits to Individual Accounts

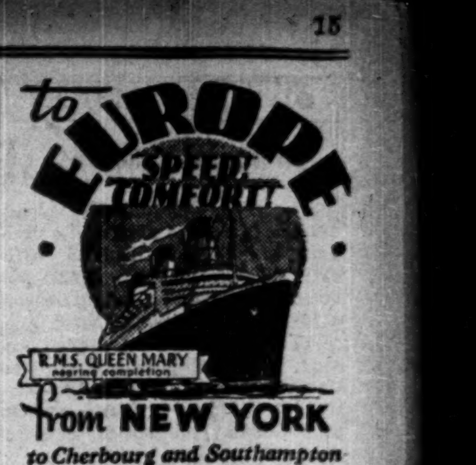
	Nov., 1935 $	Nov., 1934 $
Maritimes—		
Halifax	37,895,868	24,568,035
Moncton	8,342,193	7,629,698
Saint John	16,281,704	15,198,717
Total—Maritimes	62,519,765	47,396,450
Quebec—		
Montreal	801,906,427	785,443,334
Quebec	70,200,574	48,622,996
Sherbrooke	6,113,506	5,264,636
Total—Quebec	878,220,507	839,330,966
Ontario—		
Brantford	7,926,861	7,100,054
Chatham	10,143,803	6,919,175
Fort William	4,504,572	4,522,096
Hamilton	58,395,634	45,165,734
Kingston	5,195,632	5,019,328
Kitchener	10,178,641	9,103,839
London	35,490,739	32,082,233
Ottawa	121,748,770	317,215,290
Peterborough	5,623,665	5,296,614
Sarnia	5,959,213	6,059,165
Sudbury	5,635,655	4,342,312
Toronto	899,209,468	1,040,133,642
Windsor	30,921,837	15,679,343
Total—Ontario	1,300,934,490	1,498,638,825
Prairies—		
Brandon	2,447,839	2,440,430
Calgary	63,886,975	45,319,927
Edmonton	31,778,513	34,961,249
Lethbridge	4,521,380	4,403,011
Medicine Hat	2,439,481	2,328,573
Moose Jaw	5,531,451	5,153,216
Prince Albert	2,134,750	2,020,458
Regina	48,122,583	43,246,690
Saskatoon	10,581,818	9,583,689
Winnipeg	458,447,911	421,562,374
Total—Prairies	629,942,701	571,019,617
British Columbia—		
New Westminster	5,736,723	4,803,872
Vancouver	121,498,968	109,798,009
Victoria	22,657,963	21,224,412
Total—B. C.	149,893,654	135,826,293
Total for Canada	3,021,511,117	3,092,212,151

Fort William Housing On Upgrade in 1935

From Our Own Correspondent

FORT WILLIAM.—New construction in Fort William during 1935 amounted to $152,450.

The year's building programme included 35 new dwellings valued at $60,000, 51 garages and sheds and several important projects of a replacement nature.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Feb. 5 MAJESTIC
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to Cobh and Liverpool
Jan. 18* LACONIA
Feb. 15* SAMARIA
to Belfast and Liverpool
Jan. 24 LANCASTRIA
Feb. 7 ANDANIA
to Plymouth and London
Jan. 16 AURANIA
Jan. 30 ALAUNIA
Feb. 13 ASCANIA
Feb. 20 AURANIA
*Calls at Boston following day
'Calls at Galway before Cobh
from HALIFAX*
to Plymouth and London
Jan. 19 AURANIA
Feb. 2 ALAUNIA
Feb. 16 ASCANIA
Feb. 23 AURANIA
to Belfast and Liverpool
Jan. 13 ANTONIA
Jan. 27 LANCASTRIA
Feb. 10 ANDANIA
*Embarkation previous evening
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H. B. HENWOOD — General Manager

Position of Chartered Banks of Canada as of November 30, 1935, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. Due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	31,142,948	12,154,666	8,744,132	....	165,407,141	402,523,622	69,192,500	1,456,278	2,942,774	3,716,019	348,952	6,845,991	1,782,884	728,530	38,000,000	36,000,000	780,986,444
Nova Scotia	11,043,155	5,772,965	1,737,612	....	39,769,316	140,752,989	38,818,216	1,997,181	155,613	1,309,148	545,538	6,187,739	93,208	363,587	24,000,000	12,000,000	284,546,273
Toronto	5,279,985	1,690,691	1,334,326	....	27,091,960	70,592,874	555,626	1,343,754	273,510	1,184,160	174,518	1,401,881	....	152,068	9,000,000	6,000,000	126,075,360
Provinciale	3,755,322	194,100	24,723	....	5,529,665	34,702,435	129,220	200	....	60,269	....	26,346	2,778	64,073	1,000,000	4,000,000	49,489,135
Commerce	26,729,072	7,909,157	15,777,034	....	131,165,825	301,368,777	62,254,714	1,669,896	4,636,167	9,606,867	71,196	17,077,600	....	604,806	20,000,000	30,000,000	628,871,116
Royal	32,568,425	7,915,162	15,444,455	....	164,570,086	285,999,816	204,955,672	559,098	423,131	8,499,088	251,681	22,026,376	383,859	713,290	20,000,000	35,000,000	799,310,145
Dominion	6,451,866	351,857	867,874	....	26,882,500	68,390,171	3,147,518	2,870,084	214,886	582,014	....	3,713,768	277,357	175,946	7,000,000	7,000,000	127,925,846
Nationale	6,486,429	678,748	1,139,858	....	22,943,708	85,797,262	1,671,428	510,321	21,388	231,197	82,518	473,476	165,213	144,845	5,000,000	7,000,000	132,346,396
Imperial	6,733,810	1,840,294	2,471,017	....	28,657,447	80,529,117	711,082	1,738,776	478,858	861,014	....	1,572,803	....	3,164	8,000,000	7,000,000	140,597,986
Barclays (Canada)	335,750	85,462	33	....	1,252,243	3,465,332	1,221,863	108,208	3,153,637	1,675,657	....	99,463	....	....	750,000	1,500,000	13,647,652
Total	130,526,762	38,593,102	47,541,064		613,269,891	1,474,122,395	382,658,439	12,253,796	12,299,964	27,725,433	1,474,403	59,425,443	2,705,299	2,950,309	132,750,000	145,500,000	3,083,796,353

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	50,000,000	36,000,000	8	1,187,077	62,078,639	31,728,228
Nova Scotia	15,000,000	12,000,000	12	1,887,546	22,388,241	11,051,573
Toronto	10,000,000	6,000,000	10	798,597	11,048,103	5,279,985
Provinciale	5,000,000	4,000,000	6	696,322	2,724,118	3,796,811
Commerce	50,000,000	30,000,000	8	2,781,995	57,312,443	27,653,884
Royal	50,000,000	35,000,000	8	1,947,318	47,730,529	33,266,034
Dominion	10,000,000	7,000,000	10	1,289,930	7,815,701	6,747,541
Nationale	10,000,000	7,000,000	8	414,426	9,036,292	6,747,984
Imperial	10,000,000	7,000,000	10	486,211	9,531,487	6,838,955
Barclays (Canada)	1,500,000	1,500,000	....	....	551,647	345,340
Total	211,500,000	145,500,000	....	11,469,422	230,217,200	133,456,335

▲ Of this amount, $30,523,644 represents deposits in Canada in currencies other than Canadian formerly carried under demand and savings deposits in Canada.

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheque on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $
Montreal*	1,377,618	172,356	11,822,957	38,478,095	1,659,815	343,595	22,832,853	....	2,595,414	33,120,598	144,230,468	193,322,559	31,453,312	2,490,536
Nova Scotia	331,218	2,063,376	2,778,194	13,185,120	545,388	3,073,901	8,493,122	....	313,412	6,981,648	37,658,673	55,724,129	12,063,077	926,900
Toronto	204,443	....	1,451,980	9,161,131	347,660	50,623	6,169,996	....	657,831	2,184,546	7,056,708	33,693,736	5,296,875	37,554
Provinciale	168,745	....	1,584,623	2,005,713	196,415	27,442	1,773,627	1,508,646	3,966	128,096	3,401,183	6,731,478	8,030,482	....
Commerce†	733,953	276,195	4,451,267	54,233,831	857,100	862,111	17,771,315	67,255	755,933	27,680,661	76,246,966	101,704,772	9,227,922	21,400,010
Royal‡	1,208,380	7,225,428	6,341,885	55,188,786	1,591,584	18,688,448	20,376,177	2,129	13,551,017	33,456,202	60,731,910	127,480,130	8,115,253	13,125,913
Dominion	259,441	646	1,646,758	4,561,104	452,675	76,309	6,118,763	....	363,319	1,382,392	6,253,785	22,429,344	4,739,880	1,277,333
Nationale§	436,625	49	2,775,123	6,469,223	326,450	47,225	4,671,457	1,040,388	177,976	1,335,918	10,552,806	21,198,696	15,247,898	436,322
Imperial	325,302	....	3,786,355	3,112,504	428,770	62,335	4,779,411	1,622,957	687,353	2,668,501	1,286,535	30,619,513	4,861,131	....
Barclays (Can.)	2,257	....	70,109	327,578	16,273	4,288	219,713	1,088,159	2,627,541	954,163	1,090,712	3,886,474	179,027	....
Total	5,047,982	9,738,050	36,709,251	186,723,085	6,432,130	23,236,277	93,206,434	5,329,524	21,733,762	109,892,725	348,509,746	596,790,831	99,214,857	39,694,568

NAME OF BANK	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non current loans $	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	7,210,698	7,035,177	20,299,889	189,838,584	7,869,775	7,151,457	31,318,287	3,384,201	695,195	811,436	14,500,000	1,686,426	180,838	782,728,144
Nova Scotia	9,882,905	9,923,340	2,233,754	80,934,578	13,465,140	224,953	7,032,457	880,638	....	101,067	7,060,349	562,780	2,812,988	285,440,859
Toronto	1,857,308	3,329,505	....	45,047,640	....	....	4,813,725	261,952	....	47,814	3,510,975	335,083	....	126,918,925
Provinciale	2,629,631	4,264,083	....	12,600,497	....	....	1,103,734	126,723	656,327	371,259	2,092,984	200,000	114,761	49,746,719
Commerce†	11,065,999	20,877,672	14,994,755	165,473,905	19,200,848	6,749,418	29,307,835	3,922,012	2,423,273	2,316,682	14,415,304	1,275,000	4,187,006	639,536,511
Royal‡	11,045,093	26,328,679	19,216,857	217,124,161	98,189,967	354,780	9,257,791	3,894,714	3,016,219	819,172	16,043,708	1,600,000	4,018,855	800,919,700
Dominion	2,989,115	10,793,939	2,965,959	50,403,120	170,900	2,402,198	1,043,127	383,760	85,412	35,569	5,928,653	342,524	201,803	128,619,410
Nationale§	5,981,158	5,823,124	....	33,304,294	69,223	5,702,344	11,009,579	296,435	1,451,411	408,075	6,113,331	380,506	135,277	132,574,256
Imperial	121,553	6,174,169	....	60,868,355	....	....	5,310,219	305,132	279,680	419,459	5,999,610	470,424	134,170	141,618,587
Barclays (Can.)	10,950	1,352,350	....	1,244,706	....	....	....	14,164	....	....	450,000	16,696	....	13,654,630
Total	52,794,410	95,901,988	59,711,214	856,839,840	138,965,853	22,585,150	100,196,754	13,469,731	8,607,518	5,330,533	76,114,904	6,869,389	12,685,678	3,091,757,741

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $59,425,443 letters of credit outstanding as shown in liabilities.

John D. Gilmour
(B.Sc.A., B.Sc.F., Toronto)
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DIVIDEND NOTICES

Montreal Tramways Company

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending December 31st, 1935, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Monday, the 6th day of January, 1936, at 4 o'clock p.m. and payable on Wednesday, the 15th day of January, 1936.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Monday, December 16th, 1935.

BILTMORE HATS LIMITED

NOTICE is hereby given that a dividend of one dollar and twenty-five cents ($1.25) per share has been declared on the outstanding common shares of the Company, payable January 23rd, 1936, to shareholders of record January 15th, 1936.

By Order of the Board.

W. F. FRANKE,
Secretary-Treasurer.

Guelph, December 30th, 1935.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1936:

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of February to Shareholders of record on the 21st day of January, 1936.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1936.

By Order of the Board,

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, December 30, 1935.

Canadian Dredge & Dock Co. Limited

Common Stock Dividend No. 18

Notice is hereby given that a dividend of One Dollar ($1.00) per share plus a bonus of One Dollar ($1.00) per share, making Two Dollars ($2.00) in all, has been declared on the Common Stock of Canadian Dredge & Dock Co. Limited payable February 1st, 1936, to Shareholders of record at the close of business on January 15th, 1936.

By Order of the Board.

T. C. LUKE,
Secretary.

Midland, Ontario,
December 30th, 1935.

Hollinger Consolidated Gold Mines Limited

Dividend Number 275
Extra Dividend Number 26

A regular dividend of 1% and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 28th day of January, 1936, to shareholders of record at the close of business on the 13th day of January, 1936.

Dated the 6th day of January, 1936.

I. McIVOR,
Assistant-Treasurer.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 69

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on March 2, 1936, to shareholders of record at the close of business on February 1, 1936.

By Orders of the Board,

BALMER NEILLY,
Treasurer.

Dated at Toronto, January 4, 1936.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 29th January, 1936, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 12th December, 1935.

Valleyfield R. C. Diocese Call in 1934 Bond Issue

From Our Own Correspondent

MONTREAL.—Holders of the 4½ per cent bonds, dated February 1, 1934, of the Roman Catholic Episcopal Corp. of the Diocese of Valleyfield, P.Q., have been notified that on February 1 next the operation will redeem all outstanding bonds of this issue at a premium of one per cent. There are outstanding $200,000 of these bonds.

FORD MOTOR CO., of Canada, Limited

In 1904 the late Gordon M. McGregor, a wagon manufacturer at Walkerville, organized with Henry Ford a company to manufacture Ford Automobiles for Canada. The original capital was $125,000, and the first year's production 117 units.

By 1931 the millionth Canadian-made Ford automobile was built. The sales in the first half of 1935 were 50,300 Ford V-8 units, of which over half were exported.

The field of activity for this company includes not only Canada but all parts of the British Empire overseas with the exception of the United Kingdom.

Advertising of this company appears in

Maclean's
Canada's National Magazine

Four Diverse Factions Seeking U.F.A. Control

Political Groups Will Fight for Dominance of Alberta Farm Body at Forthcoming Annual Convention—Social Crediters Expected to Attempt Capture of Organization

From Our Own Correspondent

EDMONTON.—A struggle for control between four different groups of leaders is expected at the annual convention of the United Farmers of Alberta to be held in Edmonton on January 20.

The first decision the farmers' organization has to make is whether to retire from the political field.

One group, backed mainly by former members of the legislature and the provincial government, want the U.F.A. to proclaim itself a continuing force in provincial politics. It wants to offer an alternative administration to the government of Premier Aberhart.

Social Credit Supporters

Directly opposed to this group will be the farmers who are Social Credit believers and political supporters of Premier Aberhart.

To them, opposition to the present government will be a cross between treason and heresy. They are expected to make some attempt to capture the organization, and use it for the propagation of Social Credit ideas.

Dominion Ex-Members

Another group is made up of supporters of the former group of U.F.A. members in the Dominion parliament. For the most part they are content to leave the provincial situation alone, but they want to keep the organization active in Dominion politics, in affiliation with the C.C.F.

The former Dominion members are thought by some to be the ablest group associated with the U.F.A., and one of them, Robert Gardiner, is already president of the U.F.A. Their ultimate control of the U.F.A. is thought possible.

Out of Politics

Another group, composed of diverse elements, will unite under the slogan: "Let's get out of politics and stay out." One of the most important members of this group is Henry Wise Wood, president of the Alberta Wheat Pool, for many years president and virtual dictator of the U.F.A. He was the man chiefly responsible for the initial political success of the U.F.A.

Farm Promotion

Still another school of thought wants to change the United Farmers of Alberta into an institution for the promotion of better farming.

Seed improvement, livestock breeding, the exchange of information on soil cultivation, a study of the type of farming best adapted to different districts, restoration of grass on land that ought to be grazed instead of ploughed, such are the projects to which the organized farmers of the province should devote themselves, in the opinion of this school.

Those in charge of the organization's finances had a brief glimmer of hope while it was believed that the wheat price stabilization operations were to be wound up with a distribution of over $8 millions to pool members on their 1930 crops. When hope of the payment disappeared, the financial outlook of the organization again became somewhat clouded.

Municipal Finances

Preston reports a net bank loan at Dec. 16, 1935, of $72,400. Tax collections in 1935 were slightly better than in 1934, amounting to $188,255. Of this, $155,233 was current taxes and $33,021 arrears. Total receipts were $255,627 against disbursements of $241,095.

* * *

Regina council recently authorized sale of $377,000 of 1935 relief debentures to the sinking fund to avoid default on Jan. 1 when the city had to meet debenture interest payments of $180,000. The sinking fund trustees purchased the bonds at par plus accrued interest, subject to the approval of the Local Government Board.

* * *

Lachine, P.Q., has budgeted for an expenditure of $793,869 in 1936, a reduction of over $25,000 from 1935. Last year it had a surplus of $25,000 and the council proposes to reduce tax bills by that amount in 1936. While some taxes are to be reduced, the relief tax is being boosted from 14 to 17 cents per $100 of assessment.

* * *

Aylmer, P.Q., has been authorized to pay interest coupon due Nov. 1, 1933.

* * *

Laval des Rapides, P.Q., is paying interest coupons due July 1, 1934, and Nov. 1, 1934.

* * *

Orillia Township improved its financial position in 1935, according to a statement by W. J. Rose, treasurer. Receipts to Dec. 15 amounted to $87,987 as against expenditures of $85,580. Uncollected 1935 taxes totalled $17,342 at Dec. 15 and previous arrears $11,345.

* * *

Cap de la Madeleine, P.Q., has been authorized to pay interest coupons due Jan. 1, 1936.

* * *

Chandler, P.Q., is paying coupons due Jan. 1, 1936, on bonds issued under by-laws 8 and 31.

* * *

Calgary collected $3.1 millions of its estimated 1935 revenue of $4.2 millions to the end of November. While $1.1 millions of revenue remained to be collected on Dec. 1, tax collections were $16,000 higher than in the same period of 1934. All departments, with the exception of the relief department, were within their estimates.

* * *

Chatham, Ont., expenditures in 1935 closely approximated the budget appropriation, although some uncontrollable expenses exceeded the estimates by a wide margin. Tax collections in 1935 were slightly higher than in the previous year.

* * *

Rockcliffe Park, wealthy residential suburb of Ottawa, had a surplus of $1,016 in 1935. Liabilities throughout the year were met without recourse to bank loans. Speedy tax returns assisted, 90 per cent of the taxes being paid prior to the due date of Nov 20, 1935. Only $171 was spent on relief.

* * *

Ottawa civic departments, with the exception of the relief department, were within their appropriations for the first 11 months of 1935, according to a report by G. P. Gordon, commissioner of finance. Relief expenditures November 30 were $97,035 higher than the estimate for the year. When December accounts are met, relief expenditures are expected to be about $160,000 above the estimate.

* * *

Brantford's tentative budget for 1936 shows an estimated expenditure of $1,515,219 compared with estimated revenue of $1,437,667. In presenting the budget, E. A. Danby, city treasurer, stated that many controllable items in the budget will have to be reduced.

* * *

Edmonton tax collections in 1935 will amount to about $3.9 millions, equivalent to 104 per cent of the levy. For the first 11 months, collections totalled $3,850,000, or about $100,000 in excess of the levy. This figure includes discounts on prepayments.

* * *

Kamloops, B.C., tax collections improved in 1935. Current taxes collected to November 30 were 79.66 per cent of the levy compared with 77.64 per cent in the corresponding period of 1934. Arrears collected increased from 53.28 per cent to 59.36 per cent.

* * *

Saint John is allowing four per cent on tax prepayments for 1936. Interest will be allowed from the date of payment until the 1936 tax bills are issued. The city board of assessors is working on amendments to the N.B. Assessment Act, to be asked of the government, so as to alter business assessment in accordance with the Howes report on Saint John finances.

* * *

Vernon, B.C. taxpayers vote Jan. 16 on a plebiscite on a proposed $150,000 school building.

* * *

Red Deer, Alta., will show a surplus of over $3,000 this year. Higher tax collections have resulted from a monthly payment plan and use of discounts instead of penalties.

* * *

East York township, Ont., has eliminated its bank overdraft of $350,000. Refunding of the township's debentures at three per cent has been discussed with fiscal agents appointed by Ontario.

* * *

Peel County, Ont., had a deficit of $532 for 1935. Levy was made in 1935 for early 1936 debenture payments. **Brampton** showed a surplus of $2,021.

Toronto Stock Exchange Industrials Finish Strong

Sales of industrial stocks in 1935 on the Toronto Stock Exchange amounted to a total of 8,334,898 shares as compared with 8,409,413 shares in 1934. The sales in the first half of 1935 fell far below the exuberance of the same period of 1934. The last half of 1935, however, reversed the roles by growing activity in direct contrast to the dwindling totals of the last half of 1934.

November sales exceeded the total of any other month in the two years. December sales were second largest in 1935 and only exceeded by three months in 1934. Activity in December was the more notable that cash buying was prominent. A sudden influx of British capital to buy interlisteds was noted as soon as International Nickel announced its plans for $6 millions addition to plant at Copper Cliff. Trend at the end of the year was downward because of holiday influence and doubt, about international stability in Europe.

The following comparative table of stock transactions by months in 1935 and 1934, together with valuations for 1935, gives a good irea of the course of trading:

	1935 Share sales	1935 Values $	1934 Share sales
Dec.	925,501	29,554,910	666,542
Nov.	1,589,070	31,951,280	693,291
Oct.	807,313	17,351,125	437,732
Sept.	578,170	12,998,995	305,271
Aug.	605,843	12,413,683	370,614
July	536,879	11,436,406	513,829
June	396,902	8,892,959	427,656
May	760,787	19,019,192	606,243
April	439,805	10,440,094	839,344
Mar.	457,120	8,930,038	1,131,545
Feb.	422,610	7,612,805	1,094,475
Jan.	814,398	15,751,377	1,322,941
Total	8,334,898	186,352,864	8,409,413

Public Utility Earnings

Mexican Light & Power

	1935 $	1934 $	Increase $
November			
Gross earns.	680,025	552,677	127,348
Oper. exps.	446,935	447,353	*418
Net earns.	233,090	105,324	127,766
Eleven Months Ended November 30:			
Gross earns.	7,129,158	7,257,602	*128,444
Oper exps. & deprec.	5,057,340	4,942,270	115,070
Net earns.	2,071,818	2,315,332	*243,514

*Decrease.

Jamaica Public Service

	1935	1934
November	$	$
Gross earnings	74,346	72,512
Net earnings	32,170	32,123
Surplus after charges	23,543	23,097
12 Months End. Nov. 30	1935 $	1934 $
Gross earnings	856,123	828,963
Net earnings	348,156	336,328
Surplus after charges	245,201	226,679

Major Change Tobacco Sales Put Into Effect

Imperial Tobacco Does Away With Card Premiums

OTHERS IN ACCORD?

From Our Own Correspondent

MONTREAL.—Because of continued representations from retailers and wholesalers, the tobacco manufacturers discontinued their elaborate premium schemes on January 1, 1936, according to a statement released by Gray Miller, president, Imperial Tobacco Co. of Canada. The announcement follows closely predictions made in The Financial Post recently.

While no official confirmation can be had from other manufacturers as to the adoption of this policy, the statement of Gray Miller is so broad as to infer that the action taken in respect to premiums is a universal one.

The question of whether or not the manufacturers should continue sponsoring premiums, which in some cases has gone to the length of being an actual cash rebate to the consumer, has been very much to the fore for some time. It has been frequently discussed by the distributors and manufacturers, but until the present announcement, no clear cut statement had been made by the manufacturers as to the permanence of their premium merchandising policy.

Help Retail Stores

Cancellation of the premiums, Gray Miller points out, will throw an appreciable amount of profitable business into retail stores in general, thus helping to assure the general prosperity of these merchants.

Wide Variety of Premiums

No doubt such a policy will be helpful to the retailers of a wide line of merchandise. Up to date the tobacco manufacturers offer a surprising variety of premiums to cigarette smokers. With the required "packs" it is possible to secure among other things, playing cards, aluminum ware, electric toasters and percolators, card tables, silk underwear, shaving sets, razors, scissors, games and fountain pens. One manufacturer has even gone to the length of offering a Moth airplane for 5,000 "packs" of his premium cards.

Will Honor Cards

Many thousands of these cards are outstanding with the public and as far as Imperial Tobacco Co. of Canada is concerned it is the intention to maintain the present premium stores to the end of next June.

None of the manufacturers will divulge information as to what the premiums cost them annually. The cost must run into many thousands of dollars in view of the heavy consumption of tobacco as shown by the Government's figures.

The "saving" in doing away with the premiums will not accrue fully to Imperial Tobacco and the other manufacturers who drop the premiums.

Pass Along "Saving"

Gray Miller announces that with the dropping of the premium on January 1, the manufacturers are giving an increased margin of profit to the wholesale and retail trade.

This is being done to strengthen the orderly merchandise marketing policy which has prevailed in the tobacco trade. This means price maintenance. It is intimated by Gray Miller that if there is a disturbance of the price maintenance principle, there "is always the possibility of manufacturers being forced back into the premium business, resulting in reduction of profit to dealers."

Better Prices to Growers

Another outlet for any saving that may accrue from the abandonment of premiums is seen in possible higher prices to Canadian tobacco growers.

Gains-Moor Gold Ltd. Gets Drill Results

Gains-Moor Gold Syndicate Ltd. has concluded an initial drilling programme on its Sharpe group of claims in the Mud Lake area, adjoining McIntyre's property on the west. Four test holes were drilled to varying depths up to 300 ft., The Post is informed. The blue quartz vein, having a width of from 6 ft. to 9 ft. on surface, and an exposed length of over 2,600 ft. was cut at a vertical depth of 200 and 300 ft.

At the 200-ft. horizon, the company reports, the vein showed a width of 8 ft. and for 3 ft the core yielded values up to $9.45, the average being over $6.

At the 300-ft. level, the width was 6 ft., and values, although described as "excellent," are not available.

Home Construction May Double 1935

Residential construction during 1936 will be double the 1935 total, The American Builder, of Chicago, predicts in its January issue.

The estimated number of residential units built in 1935, in the United States, including farm and rural homes, was 125,000, representing a valuation of $600 millions.

The need for modern new homes is great and credit for home financing is available in large amounts, the publication says.

These two factors, plus a tendency toward rising rents and shortage of houses in the moderate-cost field, are held to indicate a sharp increase in building.

Construction of new homes during the last five years has barely kept pace with losses from fire and obsolescence, with no provision for normal increase in population, it is claimed by experts.

DOMINION GLASS CAPITAL OUTLAY LOWERS COSTS

Glass Industry Spends Money to Meet Competition from U. S.

From Our Own Correspondent

MONTREAL.—A moderate improvement in the volume of business handled by the Canadian glass manufacturers during 1935 is reported by J. W. King, general manager and director of Dominion Glass Co. The industry still suffers from foreign competition, particularly from the United States, but this is being met by the Canadian producers in lowering the cost of production.

Glass operations in this country are confined to the manufacture of glass containers, Dominion Glass Co. and Consumers' Glass Co. accounting for practically all the production.

Last year installation of equipment to utilize fuels in the most economic manner was carried out, says Mr. King. "This is quite necessary," he said, "as fuel cost is a large proportion of the cost of the finished product in all lines of glassware."

WILL SUBMIT PLAN SETTLING ARREARS OF HOWARD SMITH

Accumulation Nearing $30.50 Per Share—Meeting February 12

From Our Own Correspondent

MONTREAL.—Shareholders of Howard Smith Paper Mills Ltd. have been notified that a meeting will be called on February 12, to consider and pass on an arrangement, outlined some time ago in The Financial Post, designed to liquidate the accumulated dividend arrears on the company's preferred stock.

In a letter to the shareholders, Harold Crabtree, president, had the following to say in connection with the proposed arrangement:

"As you are aware, no dividends have been paid on the outstanding preference shares of your company for several years. These unpaid dividends are cumulative and, when added to the dividends which will accumulate between now and 31st of March, 1936, will amount on that date to $30.50 per preferred share outstanding.

"After careful consideration and consultations with representatives of holders of large amounts of both preference and common shares, your directors have decided that it is desirable, in the interests of shareholders of both classes, that your company should propose to them this compromise or arrangement of their rights, having in view the extinction of the claims of the holders of preference shares to all dividend arrears and to dividends to accrue up to March 31, 1936.

Extinction of All Claims

"This compromise or arrangement, therefore, provides, in a word, for the extinction of all such claims and for the payment and delivery to the holders of preference shares, per share of preference stock held by them respectively, of the following:

(a) Cash dividend of $2;

(b) One-eighth of a fully paid preference share and one fully paid common share of the capital stock of your company.

"Subject, of course, to the maintenance of your company's earnings at substantially their present level, your directors feel that, in the event of this compromise or arrangement being duly sanctioned, it will be possible to commence and maintain dividend payments upon the preference shares of your company which will then be outstanding."

Goodyear Common Benefits From 1935 Change in Set-up

Goodyear Tire & Rubber Co. of Canada in 1935 earned more than the $1.4 millions net profit shown for 1934. This result, says President C. H. Carlisle in a letter accompanying dividend cheques at the year-end, was attained though tire prices were reduced during the year and a consequent rebate made to dealers. Total dollar sales of all products were greater than in 1934.

Earnings on 71,875 7 per cent preferred shares of $100 par value in 1934 were equal to $19.88 a share. The same earnings on the new 120,000 shares of 5 per cent preferred stock of $50 par value would be $11.91 a share, or $23.81 for every $100 of par value as in 1934.

Applied to 257,260 no par value common stock now outstanding, there would be available $4.39 a share as compared with $3.59 a share on the same split basis in 1934. That difference of 80 cents a share on common has been made wholly by the reorganization of capital which occurred in 1935.

Anything additional earned will improve this result. The exact amount additional will be shown in the financial statement to be prepared for the annual meeting about February 17 next.

Company Earnings

Foreign Power

Bond interest charges of Foreign Power Securities Corp. were covered by about the same margin in the year ended October 31, 1935, as was the case in the preceding twelve months. Economic conditions in France, where the company has most of its investments, continue unsatisfactory. This had its effect on earnings, which were also influenced by the fact that some of the investments were liquidated to take care of purchase of the company's own bonds.

At the end of the last fiscal year, the balance sheet shows a reduction in funded debt of $1,129,500 to $2,396,500. This operation caused a reduction of cash and call loans from $393,273 to $23,546 and a decrease in investments at book value from nearly $11.1 millions to about $10.6 millions. The market value of the company's investments at the end of last October totalled $3.8 millions, a decline of roughly $1 million from that reported at the end of the previous year.

Income and Surplus Account
Year Ended October 31

	1935 $	1934 $
Gross income	221,561	280,131
Less: Bond interest	183,972	243,243
Directors' fees	1,500	1,400
Executive salaries	3,600	......
Expenses	13,317	21,462
Income tax	603	338
Net earnings	18,569	13,688
Add: Disct. on bonds	221,674	138,942
Prev. surplus	382,112	238,778
Less: Adjustments	3,209	296
Carried forward	619,146	382,112

Kelvinator of Canada

Kelvinator of Canada Ltd. and its subsidiaries report slightly lower profits for the year ended Sept. 30, 1935. Earnings were equivalent to 72 cents a share on the common stock compared with 81 cents a share in the previous year.

G. W. Mason, president, reports that the company's wholly-owned subsidiary, Kelvinator Ltd. of London, England, produced satisfactory net profit; that Canadian operations show definite improvement; and that returns from export business to the British Empire again increased over the previous year.

Marked improvement is shown in the company's liquid position. Working capital increased from $506,335 to $555,977. Cash on hand at $232,860 is $56,419 higher than in the previous year. In addition, the company has a credit balance of $28,525 with the Kelvinator Corp. Detroit, whereas in the previous year it was currently indebted for $88,640. Inventories were reduced during the year by $126,449 to $279,485.

Income and Surplus Account
Years Ended Sept. 30

	1935 $	1934 $
Gross profit	605,407	626,089
Less: Selling & admin. exps.	400,827	474,897
Executives' salaries	42,075	......
Directors' fees	2,354	4,368
Legal fees	1,575	......
Depreciation	22,453	......
Int., less other inc.	498	406
British & Fed. taxes	28,677	30,493
Net profit	106,947	115,925
Less preference divids.	34,720	34,720
Surplus for year	72,227	81,205
Add: Previous surplus	86,070	1,151
Transf. from cap. surplus	......	3,714
Res. not required	4,094	......
Less transf. to cap. surp. re sink. fund	24,893	......
Bal. carried forward	137,499	86,070

Working capital
As at September 30

	1935 $	1934 $
Current assets	695,592	749,585
Current liabilities	139,615	243,250
Working capital	555,977	506,335

Regina and Saskatoon Get Lower Loan Rate

From Our Own Correspondent

REGINA, Sask.—Interest rates on current bank loans for the cities of Regina and Saskatoon have been reduced one quarter of one per cent to 4¾ per cent and on capital account loans to 5¼ per cent.

Whether this reduction is extended to all other cities or municipalities in the province cannot be ascertained here.

Saskatoon estimates that it will save from $200 to $300 a month as a result of the decrease, but Regina

Dominion Bridge

Little change in gross operating income is shown in the annual statement of Dominion Bridge Co for the year ended October 31, 1935 as compared with the preceding twelve months. Owing to a somewhat smaller write-off for depreciation, net income available for dividends stood at $12,952 compared with a deficit of $43,911 in 1934.

Due to the reduction in dividends declared, cash outgo during the year did not make any material difference in working capital position. The balance sheet reflects few changes of any importance.

Income and Surplus Account
Years Ended October 31

	1935 $	1934 $
Profits from oper. & misc. income	286,110	230,672
Revenue from invests.	264,122	293,227
Total	550,232	523,899
Less: Directors' fees	19,069	20,149
Res. for inc. tax	9,026	17,183
Depreciation	509,185	530,478
Avail. for dividends	12,952	*43,911
Less: Divds. declared	616,741	1,027,902
Balance	*603,789	*1,071,813
Previous surplus	2,821,659	3,386,534
Profit on bonds sold	22,280	26,938
Transfer from inventory reserve	......	480,000
Transf. from oper. res.	200,000	......
Earned surplus for'd.	2,440,150	2,821,659

*Deficit.

Working Capital Position

	1935	1934
Current assets	8,041,009	8,066,703
Current liabilities	814,519	854,516
Working capital	7,226,490	7,212,187

Dividend Payments Higher For First Month of Year

January Dividend Disbursements Total $16 Millions, an Increase of $1 Million—Bond Interest Payments Record Slight Decline

With extra, interim and initial dividends and payments on arrears all contributing to an increase, January dividend declarations start off the year with an advance of over $1.2 million as compared with the first month of 1934.

Total dividends declared for January amounted to $16 millions as compared with $14.7 millions in the same month of 1934, an increase of 8.4 per cent. Eight extra disbursements and six payments on arrears are indications of improved business conditions.

Bond Interest Down

While dividend declarations are higher, bond interest payments are lower, amounting to $40.2 millions. Bond interest payments in January, 1934, totalled $41 millions.

Companies contributing to the increase through declarations of extra dividends are: Building Products Ltd., Intercolonial Coal, Consolidated Bakeries, Dominion Fire Insurance, Montreal and City District Bank, Premier Gold Mining Co. and Wright-Hargreaves Mines. Payments on arrears of preferred dividends are to be made by Investment Foundation, Sherwin-Williams and Gordon & Belyea. Intercolonial Coal is the only company to increase its common dividend rate. In addition to declaring an extra of $2 per share this company advanced its semi-annual rate from $1.50 per share to $2.50 per share.

Gold mining companies account for the only initial payments of the month. Little Long Lac Gold Mines, youthful Ontario producer, is to make a disbursement of 10 cents a share and Cariboo Gold Quartz Mining Co., a British Columbia producer, 2½ cents a share.

Additions to December List

A year-end check by The Financial Post discloses that December payments were considerably higher than expected, a number of dividends being declared after the publication of The Post's regular monthly list. Dividends included in this supplementary list total $9.1 millions. This brings the total for December to $66.7 millions, an increase of 56.5 per cent over December, 1934, when payments totalled $42.6 millions.

Mining companies accounted for $7.3 millions of the payments included in the supplementary list. Noranda Mines and Consolidated Smelters alone accounted for $5.6 millions of the total.

Record of dividends and bond interest payment for January follows:

Summary of January Payments

	1936 $	1935 $
Dividends	16,032,662	14,785,226
Bond interest	40,200,644	41,066,528
Total	56,233,306	55,851,754

Dividend Payments

Agnew Surpass, pf.	1.75q	2	17,035
Alta. Wood Pres., pf.	1.75q	2	5,230
Assoc. Breweries	.25q	1	56,150
Do., pref.	1.75q	1	17,769
Atlan. Sugar, pf.	1.75q	2	19,443
Bank of Canada	1.12½s	2	112,500
Bk. of N. Scotia	3q	2	360,000
Beatty Bros. 2nd pf.	3.50s	2	23,786
Beaver Fire	3%	2	3,015
Belding-Cort.	1q	2	7,495
Do., pref.	1.75q	2	15,142
Bell Telephone	1.50q	15	1,161,226
Biltmore Hat, c.	1.25q	23	25,000
Brant. Cordage, pf.	.50q	15	28,000
Brazilian Tr. pf.	1.50q	2	590,100
Brit. Amer. Oil	.20q	2	524,528
B. C. Elec. Pr. & Gas, pf.	1.50q	2	75,030
B. C. Power, A	.37q	15	370,000
B. C. Electric, pf.	2½%s	15	174,600
Brewing Corp., p.	37½q	15	60,888
Brit. Mtge. & Trust	4s	2	40,000
B. C. Telephone, pf.	1.50q	2	15,000
Bruck S. Mills	.30q	15	37,500
Bldg. Prod. A & B	.25q	2	30,211
Do., extra	.25	2	30,211
Burt, F. N.	.50q	2	53,822
Do., pref.	1.75q	2	1,030
Calgary Pr., c.	1.50q	2	52,500
Canada Bread, 1st p.	1	2	12,500
Canada Life	.5q	2	50,000
Can. North. Power	.30q	25	120,000
Do., pref.	1.75q	15	96,250
Can. Perm. Mtge.	2q	2	140,000
Can. Packers	.75	1	150,000
Do., pref.	1.75q	1	103,083
Canada Trust	5s	2	50,000
Candn. Canners, 1st pf.	1.50q	2	58,272
Candn. Cottons	1q	2	27,155
Do., pref.	1.50q	2	54,922
Candn. Fairbanks, p.	1.50q	15	18,090
Canadian Fire	2s	2	40,000
Candn. For. Invest.	.40q	1	29,366
Do., pref.	2q	1	27,000
Candn. Gen. Elec., c.	.75q	1	141,633
Can. Gen. Invest.	.10q	15	60,058
Candn. Industries, A & B	1q	31	674,243
Do., pref.	1.75q	15	81,375
Can. Light & Pr.	.50s	15	16,624
Canadian Oil, pfd.	2q	2	40,000
Candn. Westing.	.50q	1	273,000
Candn. Wire Box, A	*.25	2	16,983
Cariboo Quartz	†.02½	1	32,082
Celanese of Amer., p.	1.75q	1	200,931
Central Can. Loan	2q	2	50,000
Chartered Trust	1	2	10,000
Coniagas Mines	‡.12½	10	95,787
Cons. Bakeries	.20q	2	63,688
Do., extra	.10	2	31,844
Consumers' Gas	2.50q	2	351,380
Crown Life Ins.	▴2½%	2	5,740
Crown Trust	1.75q	2	17,500
Dome Mines	.50q	20	476,667
Dominion Bank	2.50q	2	175,000
Dom. Fire Ins.	3s	2	9,000
Do., bonus	2	2	6,000
Dom. Glass	1.25q	2	53,125
Do., pref.	1.75q	2	45,500
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	15	33,960
East. Can. Savings	1.50q	2	11,250
East. Steel, pf.	1.75q	1	6,874
Eastern Trust	2q	2	20,000
Edm. C. Dairy, pf.	1.62½q	2	12,659
Ensign Insur.	1.50s	2	7,500
Excelsior Life	1.20s	2	6,000
Freiman, A. J., pf.	1.50q	2	13,510
Gen. Trust, pref.	1.50q	2	16,500
Goderich Elev.	.25s	2	21,001
Gorden & Belyea, p.	1.50q	2	3,447
Do., arrears	.75	2	1,723
Goodyear Tire	.63	2	162,073
Do., pref.	.62½q	2	75,000
Gt.-West Life	5q	2	50,000
Gt. Lakes Pwr., pf.	1.75q	15	13,125
Greening Wire, pf.	1.75q	1	11,375
Guar. of N. A.	1.50+2.50	15	24,368
Guelph & Ont. Inv.	1.50s	2	28,952
Guelph Trust	1.25s	2	7,525
Ham Cotton, pf.	.50	1	10,000
Highland Dairy, pf.	1.75q	2	2,695
Hightower Oil	5c	2	8,325
Do., pref.	5c	2	10,000
Huron & Erie Mtge.	1.50q	2	75,000
Imperial Life	3.75q	2	37,500
Industrial Mtge.	1.25s	2	15,875
Int. Bronze	.25q	15	18,750
Do., pref.	.37½q	15	28,125
Intercol. Coal	2.50s	2	25,000
Do., bonus	2	2	20,000
Do., pref.	4s	2	8,092
Inter. Milling, 1st pf.	1.25q	15	56,250
Int. Paints, pf.	•1.12½	15	31,500
Int.-State Rlty. A	.28q	1	16,912
Invest. Found., pfd.	.38q	15	11,612
Do. on arrears	.12	15	3,667
Jam. Public Ser.	.37½q	2	16,875
Do., pref.	1.75q	2	13,125
Do., pref.	1½%q	2	5,652
Land. Bkg. & Loan	1.25q	2	12,500
Little L. Lac G.	†.10	20	183,300
McColl Fron. pf.	1.50q	15	114,529
Manufacturers Life	5s	2	75,000
Midland Loan	40s	2	14,400
Mitchell, J. S., pf.	1.75q	2	5,317
Monarch Knit, pf.	1.75q	2	13,125
Mtl. C. & D. Bank	3q	2	60,000
Do., bonus	1	2	20,000
Mtl. L. H. & Pr.	.38q	31	1,705,820
Montreal Telegraph	.80q	15	40,000
Montreal Tramways	2.25q	6	157,000
Moore Corp.	‡.50	2	138,120
Do., pref. A & B	1.75q	2	86,898
Nat. Breweries	.40q	2	238,548
Do., pref.	.43q	2	47,730
Nat. Grocers, pfd.	1.75q	1	51,681
National Life	.62½q	2	6,250
National Trust	2q	2	60,000
Nipissing Mines	.25	20	300,000
N. S. L. & Pr. ord.	.75q	2	25,891
Ogilvie Flour, c.	2q	2	150,000
Ont. Loan & Deb.	1.50q	2	60,000
Ottawa, L. H. & Pr.	1.50q	2	52,500
Do., pref.	1.62½q	2	24,375
Ottawa Traction	.50q	2	28,038
Page Hersey Tubes	.75q	2	130,707
Perfect Circle	.50q	1	81,250
Perfection Pete., p.	.37½	1	3,482
Pioneer Gold	.20q	2	350,350
Porto Rico Pr., pfd.	1.75q	2	17,500
Power Corp. pfd.	1.50q	15	75,000
Do., 2nd pf.	.75q	15	75,000
Premier Gold	.03q	15	150,000
Do., extra	.01	15	50,000
Pressed Metals	.25	2	27,893
Prov. Paper, pref.	1.75q	2	61,250
Real Estate Loan	1s	2	5,000
Reno Gold Mines	.03q	2	54,789
Riverside S. Mills	.25q	2	7,500
Do., on arrears	.25	2	7,500
Rob. Cons. Cone	.25q	2	13,748
Sask. Life 10% pd.	.50a	2	4,939
Secur. Hold., pfd.	‡.50	2	9,200
Security Loan	3s	2	16,194
Sher.-Williams, pf.	•1.75	2	60,550
South. Can. Pr., pf.	1.50q	15	106,333
Spooner Oil	.15	°10	145,830
Stand. Fuel, pfd.	1.62½q	1	19,464
Supertest Pete.c. & ord.	.50s	2	55,000
Do., pref. A	3.50s	2	10,073
Do., pref. B	.75s	2	6,000
Tamblyn, pref.	1.75q	2	8,343
Teck Hughes	.10q	2	480,714
Thayers, 1st pfd.	1.75s	2	16,712
Tip Top Tailors, pf.	1.75q	2	23,348
Tor. Elevators, p.	1.75q	15	26,000
Toronto Gen. Trusts	1q	2	30,000
Toronto Mortgage	1.50q	2	29,595
Trusts & Guar.	1.50s	2	38,223
Tuckett Tob., pfd.	1.75q	15	35,000
United Bond & Sh. c.	.10q	15	2,635
Unit. Gold Equit. st. & c.	.02½q	15	2,847
United Secs.	.50q	15	25,631
Waterloo Tr. & S.	2.50s	2	25,000
West. Assur., pfd.	1.20s	2	18,000
West. Grocers	.50q	15	8,471
Do., pref.	1.75q	15	20,899
Western, Geo., c.	.15q	1	28,189
Whittall Can., pfd.	1.62½q	2	30,875
W.-Hargreaves	.10q	2	550,000
Do., extra	.05	2	275,000
Total			15,861,028

a—annually; m—monthly; q—quarterly; s—semi-annually; ▴—on paid-up capital; •—on arrears; †—initial; ‡—interim; ▪—for quarter ending Feb. 28, 1934; °—to shareholders of record.

BOND INTEREST DUE IN JANUARY

Company:	Rate	Date	Due	Amount
Aldred Invest. A	4½	2	1968	40,522
Avalon Tele., A	5½	1	1948	19,950
Avon River Pr., A	5½	1	1956	17,847
Do., B	5½	1	1957	5,318
Do., C	5½	1	1958	3,450
Do., D	5	1	1964	18,750
Ames Holden Tire	7	1	1943	38,701
Burns A•	5	1	1958	59,130
Beauhar. L. R., A.	5½	1	1973	1,050,661
Can. Canners	6	2	1950	63,205
Can. Int. Paper	6	1	1949	697,000
Can. Light & Pr.	5	1	1949	73,102
Can. Nat. Rly., Gold	5	1	1969	1,500,000
Do.	4½	1	1957	1,462,500
Can. Nor. Alta.	3½	20	1960	55,122
Can. Nor. Ont.	3½	20	1961	599,022
Can. Nor. 1st mtge.	3½	20	1958	138,188
Do., Wpg. Term.	4	1	1939	60,000
Can. Pac. Rly.	4½	1	1960	562,500
Do., Eq. Trust	5	1	1944	611,075
Do., coll. trust	4	2	1949	240,000
Cedars Rapids	5	1	1953	343,110
Cities Heating	6	1	1948	4,530
City Gas & Elec.	6½	2	1951	29,250
Dom. Rubber	5	1	1947	100,000
Dom. Tar & Chem. A & B	6	2	1949	149,250
Eastern Car	6	1	1952	17,190
Inter. City Bak., A	5½	1	1948	40,740
Inter. Power deb.	6	1	1955	60,000
Jam. Pub. Ser. C	4½	15	1965	45,990
Maritime Tele.*	6	1	1941	45,000
Do., refund. A	5	1	1956	37,500
Metropolitan Bldg.	7	15	1944	28,063
Montreal Apts.	5½	1	1948	101,640
Montreal Trams	5	1	1941	533,775
Morrison Brass, A	7½	1	1947	3,768
Mtl., L. H. Pr. debs.	3	1	1939	396,954
Moodie, J. R., A	6	1	1948	18,690
Nfld. L. & Pr., A•	6½	1	1949	40,868
Do., mtge. debs.	7	1	1949	16,240
Do., 1st mtge.	5½	1	1971	21,765
North. Ont. Pr.	6	1	1953	105,000
Nanaimo-Dun. Util.	5½	2	1964	12,378
North. Am. Elev. A	6½	1	1950	13,757
Parisian Ldry.	6½	1	1947	8,944
Ont. Steel Prod.	6	1	1943	3,945
Ott. Traction, A	5½	1	1955	68,365
Reliance Grain, A	6	2	1948	51,627
Royal Ex. Bldg.	6	2	1948	12,000
Do.,	7	2	1938	3,500
Ruddy, E. L.	6½	1	1948	20,829
Quebec Pr. B	5	2	1972	10,875
Sherbrooke St. Rly.	5	1	1940	13,050
Saguenay Elec.	5½	1	1953	31,450
Shaw. Falls Term.	5	1	1957	2,665
Simpsons Ltd., A	6	2	1949	266,259
Simpsons, Ltd., 1st mtge., B	5½	2	1949	30,912
Robt. Simpson,	5%	1	1952	34,380
Steel of Canada	6	1	1940	95,226
Sterling Coal	6	1	1940	20,025
St. Law. Flour	6	1	1941	1,580
200 St. Clair	7	1	1945	5,320
Un. Gas & Fuel	5½	1	1948	45,705
Un. Grain, A	5	2	1948	71,637
Van. Pr., deb.	4½	2	perp.	154,593
Viau Biscuit	6½	1	1946	10,562
West. Can. Hydro El.	6	1	1950	30,000
Do., conv. debs.	6½	1	1945	14,625
Western Grain	6	2	1949	81,600
Western Power	5	1	1949	105,767
Winnipeg Elec.	†5	1	1935	75,725
Corporation bonds				10,755,644
Municipal bonds				▴10,588,000
Provincial bonds				▴7,209,000
Dominion				▴11,648,000
Total				40,200,644

†Holders of these bonds, which matured Jan. 2, 1935, will receive interest from July 1, 1935 to Jan. 1, 1936.

•3½% to be paid on half the principal amount held, no payment on income bonds.

*Called for redemption Jan. 1, 1936.

▴Estimated.

Supplementary Declaration
Payable in December

Company:	Rate	Date	Amount
Amer. Cyanimid, A	.15	31	9,891
Do., B	.15	31	378,055
Anglo-Can. Tele. A	½%	31	6,300
Can. Celanese, pfd.	1.75q	31	157,500
Confederation Life	1q	31	10,000
Celanese of Amer. part. pf.	3.50	31	5,221
Cons. Smelters	1.25	31	814,565
Do., bonus	4	31	2,606,608
Dom. Rubber, pref.	1.75q	31	52,500
Dom. Foundries, pf.	1.50	1	10,798
Fanny Farmer	.12½q	31	48,814
Gt. Lakes Power, arrears	4.58 1/3	20	36,850
Grey & Bruce Trust	2½%s	31	10,894
Growers' Wine	.35s	15	9,034
Hightower Oil	.05m	31	8,823
Do., pref.	.05m	31	10,000
Hinde & Dauch	.12½	21	37,491
Hollinger Cons.	.05	31	246,000
Howe Sound	.75q	31	355,343
Do., extra	.75	31	355,343
Imp. Tobacco, ord.	.06¼q	31	826,965
London Life	2q	31	10,000
Marcus Loew's, pfd.	•1.75	21	11,442
Nanaimo-D. Util, pf.	.81¼	2	32,500
Premier Trust	2.50s	31	12,812
Niagara Wire	1	31	40,000
Do., pref.	.75q	31	36,268
North Star Oil, pf.	▴.17½	20	35,000
Noranda Mines	‡1	28	2,239,772
Paton Mfg. pref.	1.75q	15	10,500
Sunshine Mines	.50	30	744,411
West Koot. Pr., pf.	1.75q	31	8,750
Total			9,178,452

m—monthly; q—quarterly; s—semi-annually; †—for quarter ended Sept. 30, 1929; ‡—interim; ▴for payments due July 1 and Oct. 1, 1934.

Western Steel Claims Requested by Feb. 7

In connection with reorganization of Western Steel Products Ltd., all creditors have been advised to file proof of claims on or before Feb. 7, 1936. A notice dated Dec. 31, 1935, states that all creditors and security holders should file their claims with G. T. Clarkson, 15 Wellington St. W., Toronto.

Each creditor or investor must mail to the liquidator, his name and address and those of their solicitors, and full particulars of the claims or securities. Mr. Clarkson's report on the claims submitted to him will be heard by the presiding judge in chambers at Winnipeg on Feb. 17, 1936.

Contract Repudiations Affect Power Industry

Ontario Hydro's Action Finds Reflection in November Operations of Central Electric Stations

From Our Own Correspondent

MONTREAL. — Ontario Hydro's repudiation of the contracts held by the Quebec power companies is reflected in the output of the Canadian central electric stations in November, 1935. According to returns compiled by the Dominion Bureau of Statistics, output during the month totalled 2,143 million kw.h. This was in contrast to 1.953 million kw.h. in November, 1934, and 2.162 million kw.h. in October, 1935. The decrease from October was largely in Quebec where the output was 72 million kw.h. less and the exports to Ontario decreased from 185 to 11.7 million kw.h.

The repudiation of the contracts found reflection in another direction, namely, exports of power from Ontario to the United States. Owing to the necessity of conserving all power available in order to take care of domestic needs, Ontario Hydro cut down its exports of electricity to the United States from 94.7 million kw.h. in October to 65 million kw.h. in November.

Consumption Moves Up

With an increased production from 626.6 million kw.h. to 670.5 million kw.h., the quantity of electricity consumed in Ontario, including line losses, was slightly greater during November than for October. The Quebec consumption also increased from 940.7 million kw.h., to 946.5 million kw.h., including delivery of surplus power to electric boilers.

The Maritime provinces reported a consumption of 62 million kw.h. last November. This was a slight decline from the previous month, and a drop of over 13 million kw.h. from November, 1934.

The Prairie Provinces' consumption of electricity continues to increase at a healthy rate, demand last November totalling 172 million kw.h. This compared with 160 million kw.h. in October and 142.8 million kw.h. in November, 1934.

While consumption in British columbia at 132.9 million kw.h. during last November was somewhat less than in October, it was over 7 million kw.h. ahead of November a year ago.

Exports to the United States decreased from 146.5 million kw.h in October to 112.3 million kw.h. last November, but were above the exports for November, 1934, by 12.6 million kw.h.

Further Growth Indicated

The principal operating statistics on the central stations follow:

(In millions of kilowatt hours)

	1935	1934
Production		
Maritimes	63.0	76.4
Quebec	1,104.4	1,084.4
Ontario	670.4	524.3
Prairies	170.6	141.6
B. C.	134.7	126.7
November total	2,143.3	1,953.5
Eleven months	21,247.8	19,106.6
Consumption		
Maritimes	62.0	75.3
Quebec	946.5	846.0
Ontario	717.0	664.1
Prairies	172.3	142.8
B. C.	132.9	125.5
November total	2,031.0	1,853.7
Eleven months	19,996.1	17,968.2
Electric Boilers		
November	636.0	561.1
Eleven months	5,611.1	4,742.9
Exports		
November	112.3	99.7
Eleven months	1,251.7	1,138.2

Maurice Singer's Suit Branded "Impertinent"

Denies "Long Association" With Jake the Barber—Sir Patrick Hastings Wins Case for Daily Mail in Libel Action—Witnesses Describe Losses

BY WELLINGTON JEFFERS

Canadian mining and the financing of Canadian mining enterprise, have had scores of columns of undesirable publicity in England's most important dailies.

In reality, the question at issue was Maurice Singer's libel action against The Daily Mail, but the evidence necessarily turned on Daily Mail claims that the shares of Canadian mining companies offered by Singer were worthless and that he planned a gigantic fraud on the British people.

The libel suit itself has failed. The jury returned a verdict for the defendants on the main issue that the Daily Mail said Mr. Singer was a "swindling share - pusher" and against the Bank of London, which sold shares for him. Mr. Singer was granted £50 damages on minor issues. Judgment was entered against the Bank of London with costs.

As long ago as July, 1934, The Financial Post described fully the international organization through which Maurice Singer, newly naturalized Canadian of Hungarian birth, hoped to sell shares in Canada, Great Britain and Europe.

It was a story of hastily formed mining companies, gaudy promises in prospectuses, bogus financial journals, and a cloud of financial concerns with impressive names, but with an invisible Maurice Singer in many cases pulling the strings from the background.

The Montreal Better Business Bureau also investigated and published a warning bulletin. The Daily Mail had daily blasts for quite a long time about Singer, his plans and his old association with John Jacob Factor known on this continent as Jake the Barber.

Righteous Anger or Impertinence?

Maurice Singer stirred up the whole hornets' nest again by instituting a libel action against Associated Newspapers, proprietors of The Daily Mail. He has found it increasingly difficult to do business. The public, he says, is "poisoned" against him. He particularly objects to statements that he was "long" associated with Jake the Barber.

He denied that he went to Great Britain in 1934 to foist worthless mining shares on the British public.

The Bank of London, another name for Maurice Singer, objected to the Daily Mail calling it "a bucket shop of the worst description." It allied itself with Maurice Singer in the libel action.

Singer denied all these allegations, but Sir Patrick Hastings, counsel for the Daily Mail, opened the defense by telling the jury "that it was an absolute impertinence for Mr. Singer to come into court at all." A more wicked and fraudulent affidavit of documents than that sworn by Singer, it would be impossible to imagine, said Sir Patrick.

Want Singer Driven Out

When Factor was hounded out of England in 1926, Sir Patrick said Mr. Singer took charge of sale of shares in British Associated Oil. He tried to get money out of the very people from whom Factor had got money.

But Singer would not produce books to show that the companies got the money. Sir Patrick said he was going to show that Singer pocketed the money in spite of the fact that no books were produced. Defendants wanted to drive Singer, completely and for all time, out of business in England.

"Impressive" Names

In addition to British Associated Oil, Canadian companies mentioned most in the evidence were Associated Gold Mining & Finance Co., a concern capitalized for $20 millions to hold shares of other companies, Amalgamated Gold whose shares were sold in Great Britain for six times what they cost in Canada; Concordia, Plymouth Gold Mines and United Gold Exploration.

"Tried to Swindle Fools"

In Canada, Singer and those working for him tried to "swindle every fool they could find with their 'Red Letter' service," said Sir Patrick. That had collapsed and then they went to London and tried exactly the same thing. The jury could appreciate the difficulty the defendants were in through "dealing with a fundamentally dishonest person who had no regard for the obligation of an oath and showed them nothing."

They had to go to Canada to see how Singer got the blank share certificates with which he swindled ignorant people.

Counsel called experts who said that the mines were valueless with the possible exception of Concordia.

Forty Victims

Forty witnesses called by the defense told how they had been loaded and reloaded with stock.

Extravagant promises and statements were made about listing of shares, payment of dividends, increase in market value of shares and about development of mines.

Nobody got any dividends or made a penny so far as testimony went. Some of them, who threatened prosecution, secured return of their money, however.

Disavows Factor

Maxwell Fyfe, K.C., appearing for Singer, claimed that Singer had had nothing to do with the selling of shares of British Associated Oil Co.

Factor made Singer certain promises of a financial nature. Singer returned to Wyoming where he was engaged in getting oil out of the ground. On hearing from Factor that there were attacks in English newspapers on the oil company, Singer returned to London in 1926 and claimed he heard for the first time of the discreditable tactics which Factor had been employing.

Singer then had a violent altercation with Factor, and since then—states Mr. Fyfe—for nine years he had not even spoken with "Jake the Barber." The assertion that the two men were still working together was grossly unfair, he claimed.

Attacked in 1926

Why did not Mr. Singer carry through the libel action taken in 1926 against the Daily Mail and other newspapers?

Mr. Fyfe's explanation was that Singer was faced with the dilemma of going on with the actions or returning to Wyoming in an effort to save the properties. He chose to go to Wyoming, but in 1927, in spite of his efforts, the property was lost and he himself lost $30,000.

In 1930 Mr. Singer took his wife on a holiday to Czechoslovakia. When he came to England he was charged with two irregularities in connection with his passport and was acquitted, said Mr. Fyfe.

Singer Takes the Stand

Singer himself on the stand supported these assertions of his counsel. He also claimed that the oil propositions in Wyoming, which he had lost, were sound and good, and were now making good profits.

He claimed that the gold mining shares he had intended to offer in Great Britain were good.

If he had obtained the necessary finances he said they would have been still more successful in getting gold from the ground. His assertions on the stand under examination and cross-examination will be dealt with in a later issue.

Editor's Note: The foregoing article gives a summary of proceedings in the extraordinary libel suit instituted by Maurice Singer against the Daily Mail.

Further articles will tell Singer's defense of himself and his actions, his admissions and details of the methods and agencies by which he sold shares. They will also relate the evidence given by a Canadian senator, Hon. Henry W. Laird, who was president of Associated Gold Mining and Finance, and director of Amalgamated Gold.

N. S. Apple Shipments Record Good Increase

From Our Own Correspondent

MONTREAL. — Shipments of apples from Halifax to overseas markets for the current season to the end of 1935 are expected to total around 675,000 barrels. Up to December 22, shipments amounted to 637,577 barrels as compared with 498,312 barrels for the corresponding period last season.

Week In Wheat

Heavier Canadian Exports Due

* * * *

Argentine Corn Shipments Soar

From Our Own Correspondent

WINNIPEG. — World shipments of wheat and clearances from North America were both startlingly small again last week.

Out of a world total of 5.6 millions, Australia with 1.6 million bushels managed to put more wheat afloat than did North America.

Advices from overseas, and from the grain trade on this side are to the effect that much heavier shipments from Canada are due soon but the market will feel better when recent heavy buying for export account is reflected in actual clearances from the country.

Importing countries are finding sources of supply from the Black Sea, mostly Russian, as well as some wheat from northern Russia.

Argentina's comparative indifference to wheat selling at the moment is partly accounted for by the tremendous rate at which she is marketing corn. A remarkable situation exists in that there is 50 per cent more corn afloat to Europe than there is wheat, and that Argentina has been selling corn more rapidly than all the rest of the world has been shipping wheat.

◆

Watch Forward Business

INTEREST of the wheat market is not to be found in the comparatively slight fluctuations which take place in the price of wheat, but rather in the heavy volume of forward business which continues to be done.

Both British and Continental European millers have been making definite commitments for future shipments. Freight bookings from Vancouver during the winter and from Montreal for the opening of navigation have been heavy.

This is in contrast with the experience of recent years when the tendency was for buyers to do business only on a hand to mouth basis.

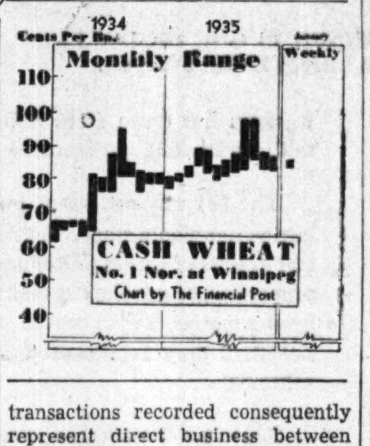
Nevertheless it can only be said that the foundation is being laid for a big export of Canadian wheat. The quantities actually sold during the past few weeks since the new Wheat Board assumed office are only a fraction of the sales that have to be made if the Canadian total is to reach a satisfactory figure for the year. The real test of the situation is to come when it is determined at what rate actual shipments will continue from week to week.

* * *

Board Only Seller

THE Canadian Wheat Board continues to be the only seller of importance. The grain which was sold by farmers before the Wheat Board got under way, and that which they sold subsequently on the open market when prices were higher than the Wheat Board minimum, has practically all been sold. This provided the great bulk of exports during the early part of the season. It left the Board at the time of the recent change in possession of practically the whole stock of Canadian wheat. In addition, it was carrying, through the futures market, hedges against flour in various positions, and against stocks of Canadian wheat afloat, overseas and in the United States. Not much which the Board has sold has changed hands subsequently. The bulk of transactions recorded consequently represent direct business between the Board and exporting interests.

So far there has been little tendency for an investment or speculative interest to develop in the market. That may come when the visible supply of Canadian wheat is reduced to smaller proportions, and it is clearer how large a carry-over of wheat there is likely to be at the end of the season.



CASH WHEAT
No. 1 Nor. at Winnipeg
Chart by The Financial Post

* * *

Argentine Wheat Off

ARGENTINE wheat is practically off the international market at the moment. The basis on which it is likely to be offered abroad still has to be determined, and quotations currently available make it too high for business to be done. It is being undersold both by Australian and by the lower grades of Canadian wheat. Liverpool does not yet accept the theory that there will be no Argentine wheat available for the British market. The British duty of six cents a bushel may operate as an excluding factor if Argentina is able to find a satisfactory outlet in Continental Europe.

For the moment Argentine attention is focused on disposing of corn instead of wheat. When farmers' deliveries of new crop wheat commence to be heavy it is probable that a trading basis will develop.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

France—Business has been hampered by political and currency uncertainties. A few industries including cotton textiles have tended to revive.

Germany—German foreign trade in November showed an export balance somewhat smaller than in the two preceding months but both imports and exports increased.

Philippines—Imports continue to increase and the outlook is good.

Argentina—Conditions in rural areas have improved during the past month, with rains having fallen in practically all sections.

Uruguay—Most business indices indicate a continuation of the improvement of recent months.

Cuba—December business showed a slight improvement over the November slump, with holiday trade active.

Guatemala—Continued low prices for Guatemalan coffee in world markets cause apprehension in business circles.

MacLean Heads Farm Loan Board

From Our Own Correspondent

OTTAWA.—Changes in the personnel of the Dominion farm loan board will not disturb the present loans policy. John Barnett has resigned the chairmanship of the board to become Toronto manager of the Credit Foncier Co., J. D. MacLean, former chairman, has been restored to that position. Other members of the board are: Charles Duquette, Montreal; Robert McKenzie, former Liberal M.P. for Assiniboia; and B. J. Roberts, assistant deputy minister of finance.

The board has been making loans very freely since the act was amended last session. Up to the enactment of this amendment the total of loans made since the inception of the board (some five years before) was $10 millions in round figures. In the last few months approximately $8 millions have been loaned and the grand total at the end of this fiscal year may well reach the figure of $20 millions. The lending authority of the board, as a result of the 1935 amendment, is $90 millions.

Power Industry Anchor Seen in Electric Boilers

From Our Own Correspondent

MONTREAL.—Nearly 27 per cent of the total output of central electric stations in Canada during 1935 was absorbed by electric boilers for use in generating steam.

The first delivery of electrical energy for use in electric boilers was recorded in 1924. In that year 2.80 per cent of the central stations' output was used in boilers. Since then, there has been a steady increase and, in so far as Quebec is concerned, the electric boilers have been the means of preventing a lot of distress power being thrown on the market.

Needed For Newsprint

The use of electric boilers is largely confined to the newsprint industry, where steam requirements are large. Until the introduction of the electric boiler, the newsprint companies depended upon coal-fired boilers for generating steam. In developing a market for secondary power, Shawinigan took the lead in devising the new heating unit. Since then other companies have promoted its use, with the result that the Maritimes, Quebec, Ontario, Manitoba and British Columbia now report the divergence of large quantities of electric energy for use in electric boilers.

Would Go To Waste

This power has had to be sold in competition with coal on a B.t.u. basis. The gross return to the power operators is relatively small. On the other hand, this is secondary power and if it were not marketed for use in electric boilers, would go to waste.

The increasing use of electrical energy in electric boilers and the relation of the total amount marketed to production is shown in the following table:

(000's of Kilowatt Hours)

Year	Total Output	Delivered to Boilers	% of Output
1924	9,315,277	260,489	2.80
1925	10,110,459	507,000	5.00
1926	12,093,445	982,152	8.15
1927	14,549,009	1,713,762	11.80
1928	16,337,804	1,808,542	11.00
1929	17,962,515	2,162,460	12.10
1930	18,093,802	2,104,847	11.65
1931	16,330,867	1,872,025	11.50
1932	16,052,057	2,836,339	17.60
1933	17,338,990	3,608,400	20.80
1934	21,159,530	5,130,701	24.25
1935*	21,247,884	5,611,159	26.40

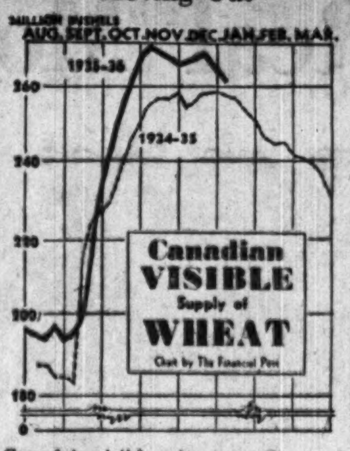
*First eleven months only.

Winnipeg Grain Prices

Week to Jan. 7, 1936

Crop year from Aug. 1, 1935 High	Low		Open Dec. 31	High for week	Low for week	Close Jan. 7
		Wheat				
.98¼	.82	Dec.	.85	.85	.84⅝	.....
1.02¼	.85⅝	May	.88⅝	.90¼	.88⅝	.89
.92⅞	.86½	July	.89	.90⅛	.89	.89⅝
		Oats				
.33⅛	.27⅛	Dec.	.30⅛	.30⅝	.30⅛	.....
.35⅝	.29⅝	May	.32¼	.32⅞	.32	.32⅝
.33⅝	.30	July	.32⅝	.33	.32¼	.32¾
		Barley				
.39½	.31¼	Dec.	.36	.36⅛	.36	.....
.42½	.34⅝	May	.38¼	.39¼	.38	.38½
.40	.35⅝	July	.39	.40	.38⅝	.39¼
		Flax				
1.56¼	1.19¾	Dec.	1.56¼	1.56¼	1.55½	......
1.64⅜	1.33	May	1.55	1.64⅜	1.55	1.64⅜
1.62⅜	1.40¼	July	....	1.62⅜	1.55½	1.62¼
		Rye				
.49½	.37⅞	Dec.	.43½	.44⅝	.43½	.....
.51⅝	.41¼	May	.46½	.47⅝	.46	.46½
.48½	.43½	July	.47⅝	.48½	.46⅝	.47⅝

Moving Out



Canada's visible wheat supply stood at 261,127,000 bushels last week, which indicates that the steady drop which set in in mid-December is continuing. A comparison with the visible of the previous year also indicates that wheat is moving out of the country now at a more rapid rate than last winter.

JAP TRADE BOOM AT FARM EXPENSE OBSERVER CLAIMS

Enormous Debt Burden on Agriculture Reaches 6 Billion Yen

"Japan's trade boom and general industrial recovery have been achieved at the expense of the Japanese farmer," says William L. Holland, research secretary of the Institute of Pacific Relations, in the current Far Eastern Survey.

"Farmers pay much more in taxes than the more prosperous manufacturers and traders, both in absolute amount and in proportion to total income. The interest rate for farm loans ranges from 10 per cent to 12 per cent and is exorbitant even for Japan where capital is scarce relative to labor.

Debt Burden Mounts

"The most ominous indication of the farmer's position is the enormous burden of debt on agriculture which has grown steadily to a figure estimated in 1932 at 4 billion yen and in 1935 at 6 billion yen. The total national public debt is only 8.5 billion yen, in comparison.

"The only policy which can ultimately make possible a healthy Japanese agriculture would seem to involve a considerable degree of socialization and state control of production.

"Permanently Pauperized"

"Such a policy is hardly to be imagined under the present Japanese political régime," admits the writer, who concludes that "following the present policy of compromise, by placating agriculture with stop-gap relief measures, will only keep Japanese agriculture permanently pauperized."

St. John's, Nfld., to Ship Newsprint in Winter

From Our Own Correspondent

MONTREAL. — St. John's, Nfld., now enters the list of winter ports from which newsprint is shipped as a result of the completion of storage sheds at that point. Paper from Grand Falls is being delivered to the sheds and the Anglo-Newfoundland Development Co.'s steamship Geraldine Mary is expected to take the first cargo from the sheds before the end of this month.

DESTRUCTIVE COLD LURKS AS FACTOR IN GRAIN OUTLOOK

Condition Estimates in Northern Hemisphere Potent Market Influence

From Our Own Correspondent

WINNIPEG. — Estimates of the condition of winter wheat condition in the northern hemisphere will be an increasingly important market factor as spring approaches.

For the present, both in Europe and on the U.S. prospects may be said to be reasonably good but considerably short of excellent.

There are areas in the United States which are deficient in subsoil moisture, where the crop did not get a good fall start, and in these especially good conditions will be required in the spring to make possible a good yield.

Other Areas Improve

There are other areas in which prospects are considered to be better now than for some years past.

Over most of Europe the wheat crop is thought to have entered the winter in reasonably good shape, although conditions in the Balkan countries are below normal. Winter wheat is always susceptible to a good deal of winter killing, however, whether from cold weather or from alternations of warm and cold weather, particularly toward the beginning of spring.

20 Per Cent Loss is Possible

A loss of ten per cent of seeded acreage is not considered extraordinary. Losses as high as twenty per cent have been known.

The spring wheat area of the U.S. is on the whole fairly well supplied with moisture. One difficulty in that area may arise from the lack of satisfactory seed. Farmers for the most part will have to employ light weight seed, damaged by rust.

Such seed will germinate well, but the young plants will be delicate. Given ideal conditions in the spring a big crop is possible from this seed, but heavy killing may result if moisture and warmth are lacking at critical moments.

C. N. R. Will Abandon 41 Miles of Ontario Line

From Our Own Correspondent

MONTREAL.—Canadian National Railways has been given permission by the Board of Railway Commissioners to abandon operations of its line from Ronnac, Ont., to Greenburn, Ont. The portion to be abandoned is in the Orono sub-division and comprises 41.8 miles of line.

The operating revenues of the line amounted to $26,056 for the year ending December 31, 1933, and $28,028 for 1934. Out-of-pocket expenses for these two years were $53,648 and $43,845, or a cumulative loss in the two years of $43,409.

Empire Countries Complain Over Effects of U. S. Treaty

From Our Own Correspondent

OTTAWA. — Protests against the Canadian-U.S. trade agreement are being received from Australia and other parts of the Empire.

Despite official attempts to treat them as of minor importance, it is learned that anxiety exists in cabinet circles and that ways of composing the new troubled waters of Imperial trade are being sought.

The complaints have come from Australia, the West Indies and Palestine (mandate territory). They centre upon the reduction in tariff under the agreement on citrus fruits, canned fruits, raisins and currents.

No complaint has yet come from Great Britain or the other Dominions although it is recognized here that they, too, have been injured by the new agreement and will have to receive more generous treatment under the preferential tariff.

Remedy is Uncertain

Precisely what can be done to meet the protests is not known. It is learned that the King government, willing to go to any reasonable distance to meet all parties has nevertheless been unable, so far, to discover how this may be done. Certainly, the U.S. agreement will not be prejudiced. It stands.

What has happened is that the U.S., now obtains the intermediate instead of the general tariff. This may, almost certainly will, injure Australian exports to Canada in certain lines, but this cannot be helped, it is said.

No Protests in 1933

Germany was transferred from the general to the intermediate tariff rating in 1933 and no protests were received from any quarter. Austria and a dozen other countries were similarly treated.

The King government insists that nothing in any trade treaty binds Canada to retain any country on the general tariff.

D. A. Railway Will Retain Own Entity

From Our Own Correspondent

MONTREAL. — Rumors that the Dominion Atlantic Railway would shortly be made a district division of the Canadian Pacific Railway with a superintendent in charge, is officially denied.

Considerable prominence has been given in the Maritime papers to the story that plans had been made for doing away with the identity of the D.A.R., through conversion of this independently operated system into a division of the parent company.

The changes rumored involved the superannuation of the general manager and replacement by a superintendent; moving the accounting offices from Kentville, N.S., to Montreal; and other minor changes incidental to such a reported move.

The Dominion Atlantic Railway, whose operations are confined to Nova Scotia, is one of the oldest railways in the Dominion. It was financed originally largely with English capital. Over 25 years ago control was acquired by the Canadian Pacific Railway, and only lately have its accounts been incorporated with those of the parent company.

In recent years the C.P.R. has spent large capital sums, directly and indirectly, on the D.A.R. The outlay involved the building of several new hotels in the Dominion Atlantic territory, the placing in operation of a new and fast steamship from Saint John to Digby; and rebuilding of the terminal at the latter point.

Wheat Prices

(Cash Quotations)

	For week Jan. 7 High		Prev. week High	Low
	$	Low $	$	$
At Winnipeg:				
1 Man. Hard	.86⅞	.86	.85⅝	.84¾
1 Northern	.85⅞	.84½	.84¾	.84⅛
2 Northern	.83¼	.82¼	.81¾	.81⅛
3 Northern	.79½	.78¼	.77⅝	.76¾
4 Northern	.76¾	.74½	.73⅞	.73¼
5 Wheat	.68½	.66	.65⅝	.64¾
6 Wheat	.60½	.58¾	.58⅝	.57¾
Feed Wheat	.51	.47¼	.46⅞	.45⅝
Vancouver: Week to Jan. 3:				
1 Northern	.88⅝	.87⅛	.....	.....

Competitive Export Prices:
(Dec.-Jan.) shipment:

	High Week to Jan. 3 $	Low $
No. 1 North. (Vanc.)	1.07½	1.06¼
No. 2 North. (Atlan.)	1.01⅞	1.00½
No. 3 North. (Vanc.)	1.05⅛	1.03⅛
Argentine Rosafe*	1.07½	1.07½
Do., Barusso*	unquoted	
West Australian	0.98¼	0.94

*New crop, shipment Jan.-Feb.

Wheat Board Enquiry Now Expected at Ottawa

Changes Made During Assiniboia By-election Will Probably be Aired When Parliament Meets — Claim Exporters Protected Against Loss

From Our Own Correspondent

OTTAWA.—The wheat question, prominent in the general election campaign, promises to continue a major issue in the federal field.

In the Assiniboia by-election, Conservative spokesmen in support of the candidacy of William Irvine, unsuccessful Independent, charged the new wheat board with major improprieties.

It is learned that the official opposition, when parliament meets, will seek an immediate investigation into activities of the new board during the last three weeks of December.

Complete details of all sales, prices, etc., will be required and in all probability a special Commons committee will be appointed so that the new board may appear and answer questions.

The nature of the charges to be made against the new board is fairly definite. It is said that when Argentina advanced wheat prices on December 13, the Canadian Wheat Board protected exporters against undue loss because of this price advance.

It appears exporters take closing prices on the Winnipeg exchange and offer wheat abroad. The orders are received over-night and are filled by purchases on the market next morning.

Thus exporters offered wheat on the night of Dec. 13. Argentina's decision was announced between the time the Winnipeg market closed on the 13th and opened on the 14th and as a result prices jumped a full three cents on the morning of Dec. 14.

Exporters had sold very large quantities on the former price and the wheat board filled these orders at about 1/3c. loss to the exporters, instead of a 3c. loss.

It is argued that in doing this the wheat board discriminated against the Dominion treasury and in favor of the exporters. Such action, it is held, is unjustifiable.

It would appear that if this is a misdemeanor the new wheat board is guilty.

The chief difference between the policies pursued by the old and the new boards is that the new board has protected exporters on this type of price fluctuation.

The old board did not do so and as a result exporters were very cautious in selling Canadian wheat. The policy, it is pointed out, does not mean additional profit to exporters. It means protection against loss.

Foreign buyers, it is true, sometimes get wheat fractionally lower than would otherwise be the case. Under the new policy, 50 million bushels of wheat have been sold since December 9, when the personnel of the board was changed.

TELEPHONE RATES TO MINING AREAS ON REVISED SCALE

From Our Own Correspondent

MONTREAL.—With the adoption by the Temiskaming and Northern Ontario Railway telephone division of the Bell Telephone Co. of Canada's long distance rate measurement of air miles, instead of rail miles, between points, substantial reduction in rates will be put into effect on January 15 next.

While complete details are yet to be worked out, it is understood that the savings on long distance calls from points on the T. and N. O. system to Toronto and Montreal will range from 20 to 25 per cent of the present tariff.

The T. and N. O. system covers practically all of the mining centres in Northern Ontario and extends as far eastward as Rouyn.

In order to take care of the long distance traffic between Montreal, Toronto, Ottawa and other points and the mining areas, the T. and N. O. has installed long distance centres at Cobalt, Swastika and Porquis. This gives the system a direct circuit to Toronto and eliminates the involved switching of calls necessary under the old set-up.

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CONTINUOUSLY paying dividends for over thirty years, without interruption, is the record of the Common Shares of Goderich Elevator & Transit Company. The more active flow of wheat, both for domestic and foreign consumption, is resulting in higher earnings, making the shares particularly attractive at current prices to yield about 5.90%.

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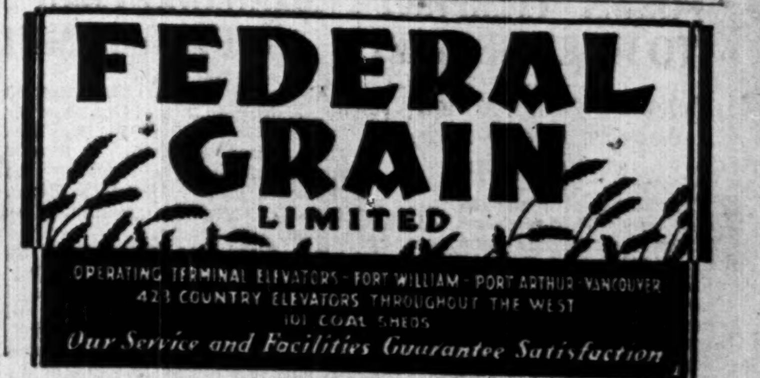

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Week In Mining

Roosevelt and the Gold Price

• • • •

Anything Wrong With Mining?

Brokers who have been looking for a strong mining market this January, and their number is legion, have had at least partial satisfaction in the behavior of share prices to date. The price trend has been definitely upward, and volume has been heavy. One day's trading in the past week showed the greatest volume the mining section of the Toronto Exchange has seen for many months.

Behind this tendency is an almost intangible optimism, based, as much as anything, on the "clean-sheet" feeling which the New Year is known to inspire.

In addition, there is of course, the negative factor that no bogies are overhanging the market at the moment. Lastly the situation across Canada, minewise, is as sound as ever it was.

Straw Bogey

IN CORRESPONDENCE between The Financial Post and its readers, the question has several times arisen recently as to what will happen when Roosevelt loses his Congress-given power to revalue the American dollar until the price of gold reaches $41.34 an ounce.

For two years, there has been the faint hope in the minds of mining men that the president would take advantage of his legal powers in this respect. It will be recalled that when he made his portentous announcement on January 31, 1934, fixing the price of gold at $35, he was acting under the Gold Reserve Act of 1934, approved on the preceding day. The powers of the president were to expire two years after the date of enactment of the Gold Reserve Act of 1934, which would end his power at the end of this month.

But those who fear that chances of $41.34 per ounce gold will be killed for all time on that date, failed to read far enough in the proclamation of Jan. 31, 1934. The act continues: "The president may extend such period for not more than one additional year after such date by proclamation recognizing the continuance of such an emergency."

As has been frequently stated here, the likelihood of such an event seems remote at the present time, but at least, it seems likely the president will extend his powers until Jan. 31, 1937, at which date he may, or may not, have any further use for them.

* * *

London Opinion

ON THE question of the future of gold prices, Major W. A. Wills, editor of the Gold Mining Record of London, is very definite in his opinions.

Major Wills states that he has tried to specialize on gold matters since 1887, and "has reached the conclusion that about 99 per cent of the salient points are still unknown to him, though he really does know the bulk of the pitfalls."

Despite this self depreciation, Major Wills's opinions are highly regarded in South African mining circles, and the fact that he has reiterated his belief that the price of gold will "sooner or later" rise is of interest.

"Our opinion remains unchanged," states Major Wills, "that sooner or later there will be an abandonment of the gold standard by all the gold-bloc countries, which will have the effect of still further cornering the metal and increasing its price in the bullion markets of the world, with corresponding devaluation of dollar, sterling, and other 'off-gold' currencies. We still therefore hold the view that, qua investments, gold shares are the safest lock-up."

* * *

Sudbury Boomlet

THE Sudbury correspondent of The Financial Post reports that that city is minus a relief list, since International Nickel's expansion programme at Copper Cliff got under way.

This, of course, is an extreme example of what mining is doing in the way of easing the unemployment burden, since the work being done is all in connection with a single company. But with less dramatic force, the situation at Sudbury has been, to a greater or less degree, happening in many a northern town during the past three or four years, where the mining industry in one form or another, is giving all the citizens work, and trimming the relief lists to a minimum.

The job of a mining reporter is a refreshing one, as town after town is visited at which a distinct air of bustle and general well-being is apparent.

Somebody, of course, is sure to mention, at this point, such former mining towns as Barkerville, B.C., or Gowganda in Ontario. But even these towns, which boomed in past days, are being given definite stimulus by the current activity in the mining industry.

* * *

Is Something Wrong?

IN THIS connection, this department has little sympathy with those who are arguing that because Canada's gold production has not climbed sharply in the past two years, something is wrong with Canadian mining. True, South African and Russian production has shown startling increases in a period when Canada's gold output has shown only a minor rise.

But the three countries are hardly comparable. In South Africa, the big companies had long been in the field, the capital and equipment, both mechanical and personal, were there, and the ore, occurring as it does in reefs, took little finding.

Russia is an exceptional case and was a country in which development work had long been dammed up by governmental indifference. This indifference to Russia's natural resources under the Czarist regime is well brought out in John Hays Hammond's recently published biography. It needed only the tremendous impetus of the social revolution to release this pent-up force, with the result that gold is now being produced in that country, if unofficial estimates mean anything, at an amazing rate.

Canada's mineral area covers a vast hinterland and, deplore it as we may, gold takes finding. It is rarely that a mine in this country is brought into production in less than two years. $35 gold has only been an established fact for two years.

Add to these, the fact that Canada's major producers have taken advantage of higher gold prices to treat lower grade ore, and it will be seen that those who expected an instantaneous increase in this country's gold production were, to say the least, over-anxious.

Canada's gold production, which, in 1935, rose to an estimated three million ounces, has been rising noticeably in the past two years, despite the highest tax rate in its history. It is necessary first to catch one's hare, before one can cook it.

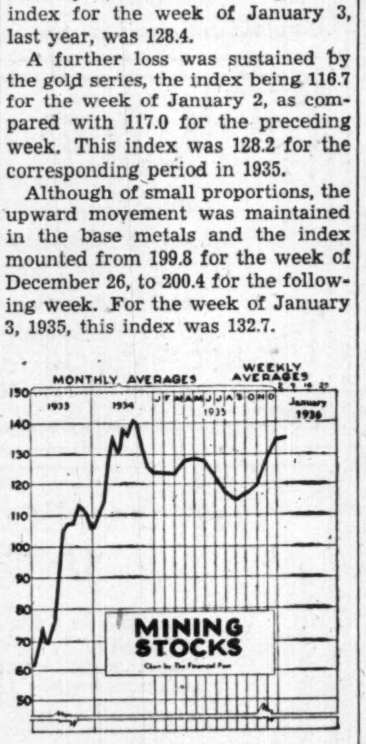
* * *

Index to Mining Stocks

AFTER remaining firm for two consecutive weeks, the price index of twenty-three mining issues registered a minor decline placing the index at 133.1 for the week of January 2, 1936. The comparative index for the week of January 3, last year, was 128.4.

A further loss was sustained by the gold series, the index being 116.7 for the week of January 2, as compared with 117.0 for the preceding week. This index was 128.2 for the corresponding period in 1935.

Although of small proportions, the upward movement was maintained in the base metals and the index mounted from 199.8 for the week of December 26, to 200.4 for the following week. For the week of January 3, 1935, this index was 132.7.



SOUTH TIBLEMONT FORMS COMPANY TO WORK BECKLEY

Falcon Gold Mines to Acquire Group-option in Porcupine

Formation of a new company to develop its Beckley property in the Sudbury district, is announced by South Tiblemont Gold Mines, in a progress report just issued. The new company, Falcon Gold Mines, has an Ontario charter and an authorized capitalization of 2.5 million shares, of which South Tiblemont received 475,000 for work done. Camps have been erected, and the mining plant from the company's property in Quebec has been moved to the Beckley property, which has seen surface work and diamond drilling.

South Tiblemont also confirms the report that the company has secured an option on nine claims in Whitney Twp. in the Porcupine area. The new property adjoins the Noranda option on the northwest, and is one mile from Pamour Porcupine.

Prior to this report, South Tiblemont reported to the Toronto Stock Exchange that on Dec. 26 the company sold 300,000 shares for $4,500 cash to assist in financing the acquisition of the Porcupine properties.

Gunnar Obtains $250,000 Loan To Finance Mill

A second step in financing its mill construction has been taken by Gunnar Gold Mines, in Big Rice Lake section, Manitoba. It is now announced that the company has secured a loan from Ray. T. Birks, Toronto solicitor, amounting to $250,000 at 6 per cent.

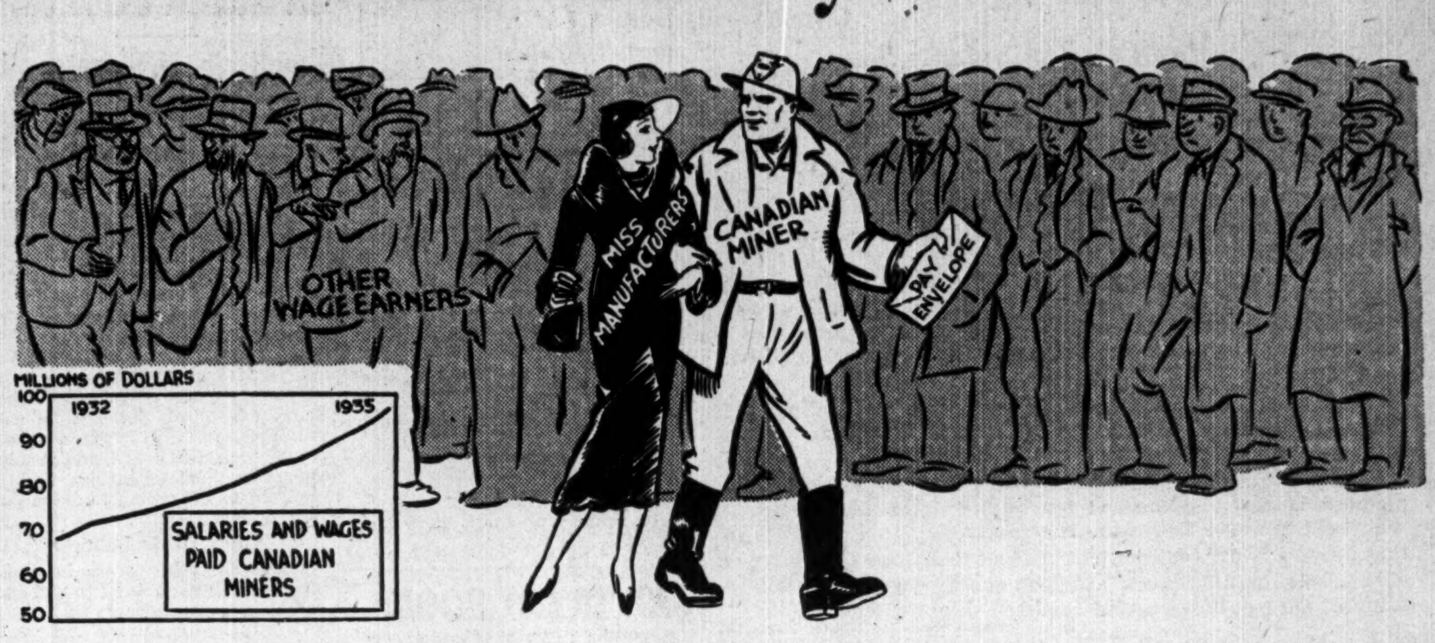
Mr. Birks has been given an option on 150,000 shares of treasury stock at $1 per share, good until October 31, 1936. Officials of Gunnar claim that the loan will give the company sufficient finances not only to bring the mill to production but to take care of mine and mill requirements during the coming year.

The company now has over $325,000 cash on hand. The loan matures in installments as follows, according to the official announcement; $50,000 due July 2, 1936; $50,000 on Jan. 2, 1937; $75,000 due on July 2, 1937, and $75,000 due Jan. 2, 1938. Proceeds from the sale of optioned stock will be applied against the loan.

Gilbert LaBine, president of the company, has stated that directors feel the entire loan can be paid out of income from production regardless of whether any stock is taken up under the new option.

Gunnar's 150-ton mill will, it is expected, be ready for operation some time early in April.

A Real Money Match



THE MANUFACTURERS' INTEREST IN THE CANADIAN MINER IS ONE OF DOLLARS AND CENTS TO THE EXTENT OF SOME $160 MILLIONS EVERY YEAR.

MANUFACTURING has a cold dollars and cents interest in Canadian mining. The mining industry represents purchasing power of a tangible and growing nature. Purchasing power is the life blood of the manufacturing industry.

The purchasing power of the mining industry is unique in two respects.

In the first place, the companies themselves spend many millions of dollars every year in fabricated goods of one sort and another. For the capital invested, the mining industry is probably one of Canada's greatest spenders. Last year, 32 of the Dominion's mining companies spent over $51 millions for supplies.

In the second place, the purchasing power of the mine workers is unique in that it has grown steadily during a period when other incomes were being sharply curtailed.

In the past two years, total wages and salaries paid mining workers has risen from about $69 millions in 1932 to $99 millions in 1935, an increase of about 44 per cent.

The $51 millions spent by the leading producers is by no means the whole story. Scattered across the Dominion, singly and groups of threes and fours, are men on the search for new properties, or developing claims in a small way. All these men need supplies, and it would probably not be exaggerating to say that they represented an expenditure of another $10 millions.

Through these three outlets, then, and apart altogether from dividends, a stimulating stream of some one hundred and sixty million dollars is poured into Canada's industrial life.

A very large proportion of this immense sum must, by the nature of things, have gone to Canada's manufacturers.

Manufacturing has a cold, dollars and cents interest in Canadian mining.

TECK-HUGHES ORE ESTIMATED VALUE IS $9.5 MILLIONS

Earnings For 3 Months Set at About 12 Cents

Broken and blocked out ore at the Kirkland Lake property of Teck-Hughes Gold Mines, had an approximate value, at current gold prices, of $9.5 millions at Dec. 1, it is revealed in an interim report to shareholders, issued over the signature of Dr. D. L. H. Forbes. This compares with an approximate value of $9.9 millions as at Dec. 31, 1934.

If, as could equitably be done, Teck's 70.8 per cent interest in Lamaque gold mines were added to these reserves, it would bring the dollar value up to about $12.1 millions at present gold prices.

The report covers the three-months period ended Nov. 30, and shows net earnings for the period of $582,168, or approximately $0.12 per share. This compares with earning of $0.14 per share in the three-months period ended Aug. 31, 1935, and with $0.13 per share for the three months ended Nov. 30, 1934.

Mill at 979 Tons Daily

During the three-months period, the mill units handled a total of 88,900 tons of ore, and 17,212 tons of tailings. This works out to an average daily tonnage of 979 tons of ore and 189 tons of tailings treated daily. The gross value of the bullion produced was $1,173,434, or an average, including tailings, of $11.06 per ton.

Detailed figures are given as to underground development, from which it is apparent that work on the lower levels has done little to augment ore reserves, and, on levels 41 to 45, inclusive, no further footage of development work was added to the footage shown in the September report.

Between levels 46 to 50, about 300 ft. of new ore is shown. Drifting on levels 48, 49, and 50 resulted in practically no new ore.

The following table shows earnings, and estimated surplus for the three-months period under review:

Income & Expenditure Account
(Three mos. ended Nov. 30)

	$
Gross value of bullion	1,173,434
Add: Inc. from investments	33,873
Gross earnings	1,207,307
Less: Devel., mining & mill. exp.	439,684
Insurance and taxes	107,509
Gen. exp., incl. mktg. bull. & assay	64,124
Exp. on outside props. & explor.	13,823
Est. bal. to surplus	582,168
Estd. earnings per share	$0.121

The following table shows the estimated positive ore reserves at Nov. 30, 1935, by levels. It should be noted that one dwt. of gold at current prices is worth about $1.75:

Ore Reserves
Blocked and Broken

Location between levels Nos.	Tons	Aver. Grade Dwt.	Total Dwt.
0-10	5,051	6.39	32,274
10-20	74,703	10.65	795,929
20-30	199,459	8.46	1,687,271
30-40	282,097	7.04	1,986,217
40-50	109,503	8.26	904,094
Totals	670,813	8.06	5,405,785

Special Meeting Called by Granby For Winding-up

Granby Consolidated Mining, Smelting & Power Co. has called a special meeting of shareholders for January 24 to consider and probably pass a special resolution that the company be wound up voluntarily.

Should the resolution pass, the company will then appoint a liquidator. On October 23 last, it was officially estimated that the ultimate liquidating value of the company's assets would be approximately $15 per share.

Bralorne Nearing Dividend Objective

From Our Own Correspondent

VANCOUVER.—Bralorne is rapidly approaching the objective of 500,000 tons and $1,000,000 cash which was set as the point at which the company would go on a dividend paying basis.

The company's cash position now stands at $850,000, and it is expected that it will reach a dividend basis some time in April.

Bralorne, still a young mine with many zones awaiting exploration and development, started the year under favorable auspices, and it is expected that 1936 will bring production to a new peak.

Production of Bralorne in December was 4,784 ounces of fine gold from 14,086 tons of ore. Based on the price of gold at $35 an ounce, this represents $167,440. In November the return was 4,607 fine ounces from 13,495 tons of ore, the value being $161,245.

Roche Long Lac Assets Strong Report Reveals

In a report to shareholders, briefly covering operations of the company since its incorporation early in 1934, Roche Long Lac Gold Mines reveals that it has been active in widely separated parts of the Dominion. The latest acquisition consists of three groups of claims in the Horwood Lake area north of Sudbury. Officials believe this property warrants development, which will be carried out this season.

Work on the Boulder Lake group, the company's original property, was discontinued after a considerable amount of surface work and drilling had been done. The company anticipate, however, that some diamond drilling will be done on the northwestern group near the Okeland in the near future.

In the spring of 1935 the company acquired a group in the Albany River district, but insufficient ore was disclosed to warrant continuing, in view of the remoteness of the property.

The company also had prospectors in the Lake Athabaska area, but no properties were acquired. In October, the company's prospectors went into the Horwood Lake section, where the properties above referred to were staked.

Current Assets $94,945

In the balance sheet as at Nov. 30, current assets are shown at $94,945, as against current liabilities, comprising accounts payable, of $748. Current assets include cash in the bank, $82,899, and investment in mining shares at cost, which, it is stated, is approximately present market value, of $11,422.

The company, which has an authorized capitalization of 2.5 million shares, par value $1, reports that 2,000,005 are outstanding.

The income and expenditure statement, for the period from May 7, 1934 to Nov 30, 1935, reveals that profit from the sale of investments in that period totalled $3,838, to which is added interest and dividends of $2,147, making total income of $5,985.

Exploration, development and field expenses totalled $50,764, while general, administrative and organization expenses amounted to $6,099, bringing total expenditures to $56,862. After deducting income, the balance, amounting to $50,877 is transferred to development and expense account, on the balance sheet.

LAMAQUE BOOSTS RESERVES OF ORE IN RAPID MANNER

Three Months Review Shows Expanding Operations

Positive ore reserves at Lamaque Gold Mines, subsidiary of Teck Hughes in Lamaque Twp., Quebec, showed a marked increase in the three months ended Nov. 30, standing, at that date, at 307,463 tons, with an average grade of 6.97 dwt. or, at current gold prices, about $12.19 per ton.

When it is recalled that as at Sept. 1, three months previously, these reserves totalled only 238,547 tons, the rapidity with which ore has been blocked out at this property becomes apparent.

Much of this rapidity is due to the exceptional amount of raising carried on. Other than station cutting, no development was done below the eighth level. The shaft is down 1,200 ft.

No. 13 Vein Important

In an interim report to shareholders, Dr. D. L. H. Forbes, president of Lamaque, points to development of No. 13 vein as being of major interest. As at Dec. 1, 1935, along this vein, 1,338 lineal ft. of ore with an average assay of 9 dwt. over an average width of 7 ft. had been exposed by drifting on the sixth, seventh and eighth levels. The length of ore exposed on each level is about the same.

Tonnage Climbs

Tonnage treated at Lamaque, since the first half of the 500 ton mill unit came into operation in April last year has steadily increased. On Nov. 8, as reported at the time in The Post, the second half of the unit was put into operation, with the result that in that month a total of 13,778 tons of ore was treated compared with 8,533 tons in October, and 7,999 tons in September.

At present the average daily tonnage treated is slightly over 500 tons, with recovery of better than 97 per cent.

From the date of starting up the mill, to Dec. 1, 1935, milling results were as follows:

Details of ore reserves as at Nov. 30, 1935, follow. At current gold prices, one dwt. is worth about $1.75.

Milling Results

	Totals to Dec. 1 1935	Sept. 1 1935
Tons of ore treated	67,465	37,173
Aver. daily tonnage	286	260
Gr. returns from bull.	$826,039	$442,736
Tailings loss	$20,121	$10,645
Calculated av. recov.	97.63%	97.65%
Calcul. av. gr. of ore treated	$12.53	$12.50

Ore Reserves

	Tons	Av. grade dwt.	Total dwt.
Blocked ore	278,055	7.07	1,964,945
Broken ore	29,408	6.03	177,292
Total positive ore	307,463	6.97	2,142,237

DIVIDEND IN 1936 IS NOW ASSURED BY VENTURES LTD.

Per Share Earnings For 1935 About Ten Cents

First official announcement of the widely forecast 1936 dividend for Ventures Ltd. is contained in an interim report, giving an estimate of earnings for the year 1935.

Net earnings for 1935 of $770,000 are estimated in the report. On the basis of 7,869,755 shares outstanding as at Dec. 31, 1934, these earnings work out to slightly less than ten cents per share.

During the year, the company received an estimated $435,000 in dividends, and another $735,000 profit from sale of securities.

Outlook For 1936

In referring to the forthcoming dividend, H. Whittingham, secretary of the company states that this will be paid early in 1936, based on earnings of the first quarter, and on conditions then prevailing.

While no intimation of the amount of the dividend is contained in the report, it is generally understood in informed circles that the amount per share paid will not be particularly large.

In this regard, Mr. Whittingham points out that a substantial portion of the 1935 earnings was of a non-recurring nature, and that in 1936, earnings will probably be derived chiefly from dividends on the Falconbridge holdings. It will be seen from the profit and loss statement below that the major part of the 1935 earnings represented profit on the sale of securities.

Mr. Whittingham, speaking for the board of directors, predicts that by 1937, Falconbridge dividends will be supplemented by dividends from associated companies.

Reference is made to the fact that H. S. Munroe has been appointed consulting engineer of Ventures.

Holdings Improved

Following is the estimated profit and loss statement for the year 1935. In presenting it, the company points out that the figures are subject to minor adjustments, inasmuch as it will be three months before the company's accounts will have been fully audited.

It is also stated that the values of shareholdings in other companies, such as Falconbridge, Pamour, and Opemiska, have materially improved during the year. This represents a substantial unrealized reserve, in addition to the surplus shown below:

Est. Profit and Loss Account
Year Ended Dec. 31, 1935

	$
Dividends received	435,000
Profit on sale of sec.	735,000
Total income	1,170,000
Less: Prov. for inc. tax	90,000
Various write-offs, including admin. exp., unremunerative explor. exps. written off, org. exp. and trans. to res. for invests.	310,000
Net earnings	770,000
Less: Deficit brought forward	529,644
Est. surplus forward	240,356
Est. Earnings per Share	$0.10

Canadian Precious Metals Getting Coniagas Backing

Canadian Precious Metals Syndicate has entered into an agreement with Coniagas, whereby the latter company has undertaken to finance development at the Deverney Township, Quebec, property, officials of Canadian Precious Metals inform The Post.

The agreement calls for a cash payment to the syndicate and the formation of a new company with an authorized capitalization of three million shares.

Syndicate Gets Shares

The syndicate will receive 350,000 shares in the new company, and Coniagas will be given an option on the proposed new company's stock which, if all taken up, would place $500,000 in the treasury and leave 650,000 treasury shares.

Coniagas agrees to do a certain amount of work in developing this property and will start immediately, The Post learns.

Canadian Precious Metals Syndicate was formed with an Ontario charter in 1934 and holds properties both in Deverney Township, Quebec, near Amos and in Semple Township of Ontario near the Porcupine-Matachewan boundary.

To Operate Semple

The Post understands that the syndicate is planning to resume work, on its own account, on the Semple property. The Syndicate has an authorized capitalization of 3,500 units, par value $10, of which approximately 2,100 units have been issued. The syndicate was formed in 1934.

Asbestos Output

Canada produced 20,344 tons of asbestos in September as against 23,119 tons in August and 14,450 tons in September last year. For the nine months ending Sept. 30 production amounted to 141,607 tons against 107,944 tons last year.

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Sudbury Freed Of Relief List By Inco's Plan

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GROUND BROKEN

Expansion Programme, Calling for Expenditure of $10 Millions in 1936 Gets Under Way

From Our Own Correspondent

SUDBURY.—With the new year, operations have started on International Nickel's new expansion programme at Copper Cliff, which, with the completion of the new No. 5 shaft at the Creighton Mine, will entail a capital expenditure during 1936 of approximately $10 millions. Ground was broken last week for the high stack of the new smelter, and for the addition to the concentrator as well as the change house which is to be erected for the convenience of the smelter and mill employees. The working force has been recruited from the Sudbury relief lists, and every available unemployed able-bodied man in this city is being given employment. Frazer-Brace Ltd. is handling the job.

Stack Still Higher

Actual construction operations on the smelter building itself, which will be an entirely separate unit from the present plant, and served by another high stack, will await more favorable building weather, and immediate attention will be centred on the smoke stack, which will be 512 ft. in height, the same as the present one, but it will tower higher into the air by reason of its location on a higher elevation. The chimney will be of concrete, brick-lined, and will be designed to permit of additional capacity in the future if and when demands necessitate. It will have an inside diameter at the top of 35 ft. and at the bottom, 52 ft. Outside diameter at the bottom will be 65 ft., 8½ inches.

To Handle Copper Feed Only

The new smelter, when placed in operation at the end of 1936, will be given over to the handling of copper feed only, the programme being to operate the existing smelter on nickel feed only. The smelter building itself will be approximately 1,600 ft. long and in its construction will consume about 12,000 tons of steel. It will house eight converters and two reverberatories. The smelted copper from the new plant will be taken in molten form direct to the copper refinery in new type railway cars. At the present time the copper is carried cold. The innovation will obviate the time and expense of casting at the smelter. The new cars that will be used in the operation could carry hot metal a distance of 20 miles.

An appropriation for a change house was set aside and announced by Donald MacAskill, general manager, last October. This will be a two-story building of brick and concrete, and will be fully equipped with lockers and showers for the use of Inco's smelter and concentrator employees. Its cost will be in the neighborhood of $230,000.

As was anticipated when announcement of the construction of the new $6 millions smelter was made, plans are also under way for expansion of the concentrating mill.

Siscoe's December Output Again Records New High

Production of gold by Siscoe Gold Mines touched a further new monthly high in December at $202,829. This compares with the previous high month of $195,213 in November, 1935, and with $190,253 in December, 1934.

December millheads averaged $16.65, which compares with $16.62 in November.

BILMAC MAKING SHARE OFFERING TO FINANCE WORK

Estimated 17,000 Tons of Ore Above 175 Feet

Bilmac Gold Mines, incorporated with an Ontario charter in September, 1934, is currently offering through Colling and Colling, 300,00 treasury shares, at a price of 2 cents per share.

Bilmac owns about 300 acres in MacMurchy Township in the Sudbury mining division. The company has an authorized capitalization of two million shares no par value, of which 700,000 shares have been issued for properties and pooled; 355,406 shares have been sold for preliminary development work, making a total issued capitalization, exclusive of the present offering, of 1,055,406 shares. This leaves 944,594 shares in the treasury.

Officials state that $250,000 has been spent on the property which has been developed on the surface by means of a shaft to a depth of 410 feet.

Ore Reserves Above 175-ft. Level

E. L. MacVeigh, the company's geologist, states in a recently issued prospectus, that a probable ore tonnage of 17,000 tons averaging $13 per ton at $35 an oz. gold is indicated above the 175-ft. level.

Mr. MacVeigh adds that there is a good possibility of increasing this by further lateral work. He states that indications are that the possible ore above the 175-ft. level is not limited to the estimate of 17,000 tons.

The property is equipped with a mining plant capable of taking care of development to a depth of 1,500 ft., including a pilot mill which the company plans to put in operation on an initial capacity of 50 tons per day.

Lyman Hogarth President

Lyman Hogarth, of Toronto, is president of Bilmac; George McVittie, vice-president; A. B. Kellum, Toronto, and Edward Coleman, directors; Arthur C. Laing is treasurer, and W. R. Marchment, secretary.

McMILLAN STARTS DEPTH DRILLING IN SEARCH OF ORE

From Our Own Correspondent

SUDBURY. — McMillan Gold Mines, in the West River area, is beginning a diamond drilling campaign in an effort to prove up extension of the ore deposit at depth.

This programme was decided upon at a meeting of the company directors held in New York last week, mining and milling operations at the property having ceased the day before Christmas owing to disappointing results in lateral work at the 750- and 875-ft. levels.

To Explore "J" Zone

The new programme calls for some lateral holes to be put out at 875-ft. horizon and others into the "J" ore body from the 525-ft. level to test the chances of the downward extension of this deposit.

One drill is already on the ground and a second one is being taken in to the mine and will be in operation within a day or two.

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Some 20 New Gold Mills Add 2,500 Tons Per Day To Canada's Mine Tonnage

Review of New Producers Shows Noteworthy Additions to Canada's List of Gold Mines in 1935 as in 1934

During 1935, some 20 new mills of all sizes and types added about 2,500 tons of ore to the daily tonnage of Canada's gold mining industry.

Many of these 20 new producers represent sizeable operations. They have been financed during a period when capital for such a speculative business as mining was hard to obtain.

Yet the number of new gold producers in 1935 was almost identical with the number last year, when 21 mills were brought into production.

Five of the 1935 gold debutantes were financed and brought to production as subsidiaries of established mining concerns. One, the Dr. S. B. Smith property, was privately financed, and the remaining 14 were financed by the public at large.

It would be impossible to estimate how many of the new mills owe their existence to $35 gold. The grade in most cases, however, is surprisingly high, and would warrant operation even at the old price of the yellow metal.

If gold remains at present levels, 1936 should see more than 20 new mills added to the list, as the development work of the past two or three years starts to bear fruit.

Big Missouri's Buena Vista property, Castle Trethewey's Omega, Shawkey Gold Mines, Pamour Porcupine, Gunnar Gold, Perron Morris Kirkland, Stadacona Rouyn, and others will probably be in production early in 1936.

The following is a brief summary of important properties entering production in 1935:

Arntfield Gold Mines

Started production on July 26, on a 125 ton per day basis. Current daily tonnage about 170. Grade of ore estimated at between $10 and $12 per ton. Over-all costs estimated at about $4.75 ton. Wide ore bodies, and simple type ore aid lower costs. Ore is being developed faster than mined.

Stock was listed on Toronto Exchange Sept. 25. Company is controlled by Arntfield Mining Syndicate and the property was staked by F. S. Arntfield, now president, on his first prospecting trip.

Canadian Malartic Gold Mines

Mill turned over for first time April 26, 1935. Present tonnage is about 300 tons per day, increased from 160 tons per day in December. Expansion is to be paid for by advancing $50,000 over and above proceeds from current operations.

As at Dec. 31, 1934, assured ore reserves were estimated at 198,000 tons, with an average grade of about 0.23 ounces per ton. Indicated reserves were about 340,000 tons, with an average grade of 0.18 ounces.

Development since that date has, of course, increased the indicated reserves considerably. Due to increased tonnage at the mill, which will lower costs, present costs cannot as yet be estimated. This company is controlled by Ventures Ltd. The stock is currently trading on the Mining Section, Toronto Stock Exchange, at about $1.15 per share.

Darwin Gold Mines

Operating the old Grace Mines in the Michipicoten area of Ontario and originally staked in 1898. The property came into regular production in November, with a 50 ton daily capacity mill.

At present the mill is handling about 40 tons per day. Average grade of ore treated to date is about .45 ounces per ton.

No recent estimate of ore reserves is available, but officials report successful underground development. The stock was offered by H. R. Bain & Co. of Toronto. No daily quotation from unlisted dealers.

Gillies Lake Porcupine

Producing in a small way on its property adjoining Hollinger and McIntyre Mines, in the Porcupine district of Ontario. The mill started, with daily capacity of 50 tons per day in September. Development is down to 950 ft. Ore reserves have been estimated at 100,950 tons, with a gross value of $849,550, with gold at $20.67. Production irregular as yet.

Gilmour Gold Mines

Another small producer, whose operations have not yet reached the stage where an estimate may be made. The property is in Hastings county, near Madoc, Ont.

God's Lake Gold Mines

Reached production Sept. 15, 1935, currently stepping production up to 200 tons per day. Property at God's Lake, Manitoba. Ore reserves, sufficient to last the mill two years, have been proven. Average grade is about 0.43 ounces. The company is managed by Robert Jowsey, and has its own power plant at Kanuchuan Rapids, thus tending to lower costs.

The stock is currently quoted on the Toronto Exchange at about $1.20.

Kenora Prospectors & Miners Ltd

This Ventures Ltd. subsidiary with property in the Kenora area of Ontario started regular production at about 45 tons per day in October. Some years ago the property produced to a limited extent.

Underground developments at this property are reported to be shaping up well on the four levels so far established. The ore is high grade in character, and the fact that the company has come to apparently successful production will, it is believed, again attract attention to the veteran Lake of The Woods area. Ventures and associates hold a major part of the outstanding stock in this company, the success of which to date is attributed largely to a woman, Mrs. Ida A. Lindsley, vice-president.

Lamaque Gold Mines

Subsidiary of Teck-Hughes, started the first half of a 500-ton-per-day-mill in April of this year, after a rapid programme of development. The full 500 tons was turned on in November. Teck-Hughes owns 70.8 per cent of the outstanding common stock, and all of the outstanding 5 per cent non-premium mortgage bonds, amounting to $1,250,000. The bonds mature Feb. 1, 1941.

As at Aug. 31, 1935, the company reported positive ore reserves totalling 238,547 tons with an average grade of $6.83 with gold at $20.67. The company has good technical management, and is an important asset to the parent company.

L. B. United Mines

The company acquired the former Centennial Gold Mines early this year, and brought it to production last October. Company shipping concentrates to L. B. United Refinery in Sault Ste. Marie. The mill has a rated capacity of 50-60 tons per day. L. B. United holds several other properties but the Centennial operation is the most important at the present time. Ore reserves not available.

McKenzie Red Lake Gold Mines

Regular production at this Red Lake property began March 1, 1935, and is at present treating about 125 tons of ore per day. Costs have been kept low, at about $6 per ton, allowing a comfortable margin of profit. The mill has been turning out about $65,000 in gold per month. November production was under this figure due to the large amount of development ore being put through the mill.

No recent estimate of ore reserves has been made available, but, from development reports issued periodically, they are generally believed to be satisfactory.

The stock is currently quoted on the mining section of the Toronto Stock Exchange at about $1.32 per share.

Meridian Mining Co.

Owns a gold-silver property in the Lardeau mining division of British Columbia. A 200 ton mill began treating ore on Jan. 30. Today the company is treating in the neighborhood of 135 tons per day. Broken ore reserves in mid-summer were estimated at 10,000 tons, worth about $65,000. Operating profit per ton was estimated at $3.10, with strong possibility of this rate being improved.

Morning Star (Fairview) Gold Mines

Another new British Columbia Producer, with property in the Osoyoos mining division. Today the mill is handling about 75 tons of ore per day. No recent estimate of ore reserves has been made but grade is said to run between 0.25 ounces gold per ton to 0.3 ounces per ton.

The mill started in October, and is now treating about 1,200 tons of ore from its own property, and further tonnage on a customs basis. The plant is stated by officials to be running efficiently.

Pickle Crow Gold Mines

Mill plant started in April, on a 125 ton basis. The mill is now treating about 170 tons per day. The property, in the Patricia or Crow River area of Ontario was brought to production under the management of John E. Hammell, president of the company.

The recovery per ton rose from $10.90 per ton in the period ended June, 1935, to $14.27 per ton in the period ended Sept. 30. Development being carried on to 750-ft. level, where the vein will shortly be cut. Stoping on the upper levels is opening up good ore.

Sheep Creek Gold Mines

A new 150 ton mill went into operation on the Sheep Creek, B.C. property on May 22, 1935. Millheads have averaged $12.50 per ton and operating costs, including development have averaged under $5 per ton.

During the first six months of its operation, the company built up a cash position of $146,160, and has at the same time paid off $28,000 on its contingent property payment liability which amounted to $100,000. This liability carries no interest charges, and is retired at the rate of 10 per cent of monthly gross production.

Tashota Goldfields Ltd.

This property is managed by Minefinders Ltd. which has taken down stock in payment for its services.

A 50 ton mill with initial production of 35 tons per day started in April. It is currently operating at about 70 tons per day. Since recovery averages about one half an ounce to the ton, or about $18 per ton at current prices, and operating costs, including development, are officially stated to be about $6.90 per ton, a fair margin of profit is indicated.

This stock is currently selling on the mining section of the Toronto Stock Exchange at about 30 cents per share.

Taylor (Bridge River) Mines Ltd.

This property adjoins Bralorne, in the Bridge River area of British Columbia. After uneventful development work, the company, in July of this year, acquired share control of the Kamloops-Homestake Mining Co. Today Taylor, Bridge River owns 540 shares of an authorized capitalization of 1,000 shares in Kamloops-Homestake.

The Kamloops property came into production on October 15, and while primarily a lead-silver proposition, the ore so far treated is high in gold values, thus allowing it in the gold classification.

Ymir Consolidated Gold Mines

This property came into production in July, treating ore from two veteran producers, the Ymir and the Goodenough, in the Nelson district of British Columbia. To the end of October the mill had handled 10,793 tons of ore with an average grade of $8.75 per ton.

Recently production was suspended while the 100 ton ball mill was relined. At that time it was stated the mill would probably not resume operations until its capacity was increased to 200 tons. No date was set for this.

Lead

The amount of lead produced in Canada in September was 26,322,577 lb., compared with 26,470,373 in August and 32,330,204 in September last year. For the nine months ending September the amount was 242,462,157 as against 253,256,346 last year.

ALGOMA MINING REPORTS HOLDINGS WHITE HORSE GOLD

Company Now Owns 246,666 Shares, Annual Report Shows

Algoma Mining & Finance now owns 246,666 shares of White Horse Gold Mines, and has an option on a further block, it is stated in the annual report of Algoma Mining & Finance for the year ended Nov. 30, 1935.

White Horse Gold Mines was formerly Plator Long Lac Gold Mines, and has about 37 claims in the Little Long Lac area. The company has an authorized capitalization of 3 million shares, $1 par, and operations have been under the direction of Oro Plata Mining Co. The company is at present trying to raise funds to continue development work.

No further work was done in the period on Algoma's own property in the Little Long Lac field, officials now being convinced that the favorable structural belt in this camp lies farther to the north.

The report, signed by S. G. Tobin, president of Algoma and vice-president of White Horse, contains no details of development work at White Horse, other than to state that drilling has indicated "an orebody of importance."

The balance sheet as at Nov. 30, accompanying the report, shows current assets of $2,796, comprising cash in the bank of $186, and sundry receivable and accountable advances of $2,610. Investments in other mining companies are shown at book value, less reserve, of $47,345. Current liabilities are confined to accounts payable of $782.

From March 31, 1935, to Nov. 30, exploration, development, and general expenses totalled $37,876. This amount has been capitalized and shows as a fixed asset in the balance sheet.

Algoma has an authorized capitalization of 2 million shares, no par value, of which 1,030,000 shares are outstanding.

At the Mines

Darkwater Mines is said to be preparing plans to start shaft sinking in the Sturgeon Lake area. Work done during the past few months is said to have shown encouraging results. It is stated that active sinking operations will be started without delay.

* * *

Jellicoe Gold Mines — A special meeting on Dec. 30 was to be asked to approve a merger with a portion of the adjacent property of White Horse Gold Mines.

This will bring under one ownership the Jellicoe White Horse ore body which straddles the boundary of the two companies.

Sorting the Mines, 14.

An Impartial Analysis of Listed Stocks from A to Z

These little close-ups are aimed at giving Financial Post readers a rapid fire inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each stock will be dealt with in alphabetical order at the rate of three or four a week as space permits.

This is the fourteenth of the series.

Clericy Consolidated

Clericy Consolidated Mines, formed with a Dominion charter in 1927, operates as an exploration and developments company whose work has carried it far afield in search of a profitable property. To date, the company has not yet proved that it has found one, although it has several strings to its bow.

At the present time, the company's chief interest appears to be its option on the Whitney-Isenhour properties in the Gold Hill section of North Carolina. Both the Whitney and the Isenhour properties have seen considerable development, and with current gold prices, and modern methods, are believed to be fair, low-grade properties.

In addition, the company has a 70 per cent interest in some claims at Rose Lake, in the Senneterre area. This property is a raw prospect, and has not been proven. The company has also its original property in the Rouyn district of Quebec.

The company has an authorized capitalization of 3.5 million shares, of which about 2 million are understood to be outstanding.

Briefly, this company offers a gamble backed by an apparently sincere board of directors.

Price Range of Stock

	High	Low	Last
	1935		
Common	.08	.02	.03
	1936		
Common	.04	.03	.03½

Coast Copper Co. Ltd.

This company is controlled and directed by Consolidated Mining & Smelting Co. of Canada, and owns a copper property on Quatsino Sound, Vancouver Island, B.C. The property has been idle since 1931, and its future depends largely on whether or not Consolidated Smelters decide to build a smelter to serve its various interests on Vancouver Island. To date there has been no indication that this will be done, and in the 1929 annual report of Smelters, it was stated that these various properties had not developed sufficient ore to warrant the construction of a smelter or refinery on the Island. The 1930 annual report stated that on the whole, results, especially on the lower levels, were disappointing at Coast Copper, and no large shoots of commercial ore were opened up, although some fairly large lenses of magnetite, with low values in copper, were indicated. Since work was stopped, the workings have been kept in shape.

In the balance sheet as at Dec. 31, 1934, current assets of Coast Copper consisted entirely of inventories, have an estimated cash value of $10,502. Current liabilities on the other hand amounted to $592,865, leaving a deficit in working capital of $582,363. No estimate of ore reserves has been made public.

In addition to current liabilities, the company has 6 per cent debentures outstanding to the amount of $750,000.

Under higher copper prices there seems to be no doubt that further investigation of this property would be warranted. In such an event, the company would be in capable hands. In the meantime, and as a speculation, the company has a long-term interest only.

Price Range of Stock

	High	Low	Last
	1935		
Common	5.30	1.50	4.00
	1936		
Common	4.00	3.75	3.75

Cobalt Contact Mines

Cobalt Contact Mines owns outright and has options on inactive cobalt-silver properties at North Cobalt, Ontario. The properties are credited with having produced, prior to cessation of operations, about 1 million ounces of silver.

At the time when development work ceased, late in 1930, J. M. Aitken, president, stated that in addition to the slump in silver prices, the grade of both the silver and cobalt ore became lower as development proceeded, so that the company was operating at a loss instead of at a profit, as previously. Officials have, however, expressed the opinion that further development work would show up further high-grade ore. The properties are being kept in good condition.

In March, 1935, prior to an announcement that a reorganization was planned, the company issued its first annual report since 1929. This report showed that the working capital position had improved, the deficit in working capital account amounting, as at Feb. 28, to $4,447, as compared with $34,536 as at May 31, 1929. This reduction in deficit was made possible by the issue and sale of 1 million shares, to net the company $47,500.

Investments held by the company were shown at that time at a value of $21,410, consisting of $8,110 in Dominion of Canada bonds, and stocks valued at $13,300.

The reorganization plans, referred to above, were announced in May, 1935, and were aimed at placing enough money in the company's treasury to allow it to obtain additional properties. At a meeting of shareholders in June, a by-law was passed to reduce the capital stock from 4 million shares to one million shares, and exchanging the old stock for the new on a basis of one new for four old. To obtain the required authorized capital, the authorized stock was later to be increased to 2.5 million leaving 1.5 million in the treasury.

Continued instability in silver, and the state of the market, caused directors to postpone these plans, however, and postponed they still are.

Price Range of Stock

	High	Low	Last
	1935		
Common	.08	.01¼	.01¾
	1936		
Common	.01¾	.01½	.01¾

Congress Gold Mines

This Bridge River, B.C., property is being financed by the same interests as are behind Pioneer Gold Mines, the producing property about nine miles away.

These interests, known on the coast as the Spencer-Smith group, are to be repaid by a 59 per cent share of first earnings with 5 per cent interest. Congress Gold is to get 49 per cent share of first earnings. In addition, Congress will be repaid $100,000 plus 5 per cent interest for money spent on development of the property.

Tests are being made at the present time to ascertain the proper type and flow sheet for a mill. While no statement as to ore reserves has been issued, it is understood that the grade runs about $7.10 per ton gold, thirty cents per ton silver, and values of about $1.50 per ton antimony.

The property, with its present backing, is at least assured that funds will be supplied as long as it proves interesting. To date it has continued to prove interesting, although it still remains a speculation.

Price Range of Stock

	High	Low	Last
	1935		
Common	.54	.12	.14½
	1936		
Common	.14½	.14	.14

Mining Concerns Newly Formed

Alberta Pacific Resources—Incorp. under the B.C. Companies Act Dec. 5, 1933. H.O. 102-6 Pacific Bldg., 744 Hastings St. W., Vancouver. B.C. Author. Capit. $10,000. Par value $1 each.

Canadian Exploration Co. — B.C. Incorp. Dec. 16, 1936. H.O. 744 Hastings St. W., Vancouver, B.C. Author. Capit. $1,000,000. Par value $1.

Consolidated Oil Co.—B.C. incorp. Dec. 18, 1935. H.O. 716 Hall Bldg., 789 Pender St. W., Vancouver, B.C. Author. Capit. $750,000. Par value 50 cents.

Mining Products of Canada—B. C. Incorp. Dec. 13, 1935. Author. Capit. $1,000,000 no par value. H.O. Toronto.

Southalta Oils—B.C. Incorp. Dec. 10, 1935. H.O. 800 Hall Building, 789 Pender St., Vancouver, B.C. Author. Capit. $100,000. Par value $50.

Defunct

Approved Gold Investments—Wound up voluntarily Dec. 10, 1935. Dorothy Ruth Stevenson liquidator.

B.C. Silver Mines—Wound up voluntarily Dec. 23, 1935. Liquidator; G. Bruce Duncan, 314 Hall Bldg., 789 Pender St. W., Vancouver, B.C.

Rednar Gold Mining Co. — Ont. Incorp. April 29, 1927, was dissolved as from Dec. 30, 1935.

Name Changed

Cayoosh Gold Mines—H.O. 702 Belmont Bldg., Victoria, B.C. Gave notice on Dec. 19 of an application for change of name to Midland Oil Co. Ltd.

Fairburn Sturgeon River Gold Mines—Name changed by S.L.P. Dec. 10, 1935, to Vantage Mines.

Windsor Gold Mines — H.O. 101 Royal Trust Bldg., 626 Pender St. W., Vancouver, B.C. gave notice of an application for change of name to Barkerville Consolidated Mines.

Mines May Surpass Lumber, B. C.'s No. 1 Revenue Source

From Our Own Correspondent

VANCOUVER.—Evidence of marked industrial revival in British Columbia is found in returns to the provincial government from representative manufacturing concerns and other official records.

Leading the upward trend are mining and lumbering and there seems to be every prospect that within a few years mining will supplant the old leader, lumber, as the largest revenue producer in the province.

Due to the improvement in sales in the British Isles, the lumber industry was responsible for $50 millions of B. C.'s trade return in 1935, and mining revenue was estimated at $45 millions.

New Mills Planned

Termination of the trade war with Japan and the new reciprocal agreement with the United States should result in further swelling the lumber sales this year, but other factors indicate that mining too, will have a huge increase in the same period.

Many new mills will be in operation this year and gold production in the Bridge River area and other fields should reach a new high.

Farm production in B. C. in 1935 is roughly figured at $43 millions and fisheries output at $16 millions.

Recovery Since 1932

The year 1932 marked the deepest point in the industrial slump in B. C., and since then there has been a gradual but definite rise.

Production of the four primary industries was rated at about $107 millions in 1932. During the year just closed the estimate is $154 millions. Business leaders and industrialists look for a continued advance in volume and value of production during 1936.

Drumheller Coal

From Drumheller, Alberta, comes news that coal shipments in November were 238,000 tons or 103,000 tons higher than for the same month a year ago. Weather conditions in the Prairie Provinces are said to be responsible for the good showing. In early December, however, demand had fallen to small figures, but shipments to date this season constitute an excellent start and given average sales for the balance of the year, returns are believed to look moderately satisfactory to the owners and much better than average for the employees.

Copper

The amount of copper produced in Canada during September, 1935 was 33,941,168 lb., as against 33,603,557 in August and 27,551,889 in September last year. The amount for the first nine months of this year was 312,520,346 against 266,302,345 last year.

Nickel Production

Production of nickel in Canada for September was 12,896,865 lb., against 10,869,647 in August and 8,764,513 in August last year. For the nine months ending September production was 15,597,345 lb., against 96,942,883 last year.

Mining Enquiries

Nordon Corp.

I notice by The Post that an improvement has taken place in the market price of Nordon Corp. stock. What is the situation at this company's properties?

Nordon Corporation has issued no financial statement since its annual report appeared last April. Accordingly it is impossible to estimate how this company stands. Unofficially, however, it is understood that some improvement has taken place, although the company has not, as far as we are aware, been successful in producing a commercial enterprise this year. You may be aware that last year the company operated at a net loss for the year of $172,039. While there is no reason to believe that the management is not sincere, the company's record of failures has been against it and current liabilities exceeded current assets as at December 31, 1934, by $77,399. You can see from this that a considerable improvement in the company's income would be necessary before it became attractive as an investment. Until the annual report is published, there is no way of knowing whether such an improvement has taken place.

Besides reports that the company's assets have shown an increase, much of the market strength must be attributed to general recovery in oil stocks. Nordon Corporation has reflected this general improvement to a large degree.

Pamour Porcupine

Living in the Honduras, I am dependent on your paper for my mining information. I have noticed several articles dealing with Pamour Porcupine, in which company I am interested. Your opinion of this enterprise would be appreciated.

Pamour Porcupine Gold Mines own a property in the Porcupine Camp of Ontario. This property is a consolidation of the former Three Nations, La Palme Porcupine and Porcupine Grande, companies which date back to the earliest days of this camp. Although an old property, it has only this year demonstrated that it has any particular merits. Quebec Gold Mining Corporation became interested and optioned control. This control was in turn optioned to Noranda Mines, a powerful Quebec copper gold producer.

Under the experience and management of Noranda, the property of Pamour Porcupine has been whipped into shape in a remarkably short period. It is definitely expected that it will be in production early this year, as reserves are substantial. The grade of ore is rather low, but under experienced management there appears good reason for belief that it can be treated at a profit.

Morris-Big Missouri

Your opinion on the possibilities of Morris Kirkland becoming a dividend payer would be appreciated.

Between the two stocks Big Missouri and Morris Kirkland what in your opinion has the most favorable outlook?

Morris Kirkland Gold Mines, which is developing the former Kirkland Gold Belt Mines in the Kirkland district of Ontario, is a long way from dividends. The company has had success recently in developing ore, and we understand that an official announcement regarding construction of a mill will shortly be made. It is generally understood that the mill will have an initial capacity of 150 tons per day. The management of the company has shown itself to be businesslike and cautious and this property presents a fair speculation at the present time.

Despite these facts, however, we would not consider it comparable to Big Missouri where, as you know, development work under the direction of Consolidated Mining & Smelting Company, has been very encouraging. It is expected that when the company comes into production, it will be on a large scale, possibly 1,000 tons per day. You can see from this that for sheer size of operation Big Missouri's holdings are in a different class from Morris Kirkland.

Paymaster-Shawkey

I have had the shares of both Paymaster and Shawkey recommended to me as speculations of merit. I have noticed that the stock of Paymaster has been rising of late. A brief statement as to these two companies would be appreciated.

The recent rise in the market price of Paymaster stock appears to be due entirely to property development. The company has met with considerable success in developing ore, and the grade has been good. In addition, it is generally predicted that Paymaster will register a new high in monthly production for December. The management of this producer has shown itself to be efficient.

Shawkey Gold Mining Co. will, it is expected, be in production by February of this year. The company has obtained a considerable amount of publicity lately, and while it appears to have a good chance as a profitable producer, we do not believe that the current market price is underestimating its possibilities. Here again, the management is apparently sincere and the outlook for the mine itself good.

Mining Corp.

Can you give me any information on "The Mining Corporation of Canada." They have paid no dividend since 1929. We know that the old mine at Cobalt is worked out and I think abandoned and that Ashley is no good. But they have a large block of shares in Hudson Bay Mining & Smelting and one or two other companies. Smelters is now paying a regular dividend.

Why is not the Mining Corp. making some attempt to pay dividends out of this?

The greatest individual asset of Mining Corp. of Canada at the present time is its investment in Hudson Bay Mining & Smelting Co., in which Mining Corporation owns 81,000 shares with a market value of approximately $1.5 millions. From this investment, Mining Corporation received in dividends in 1935 approximately $81,000.

As regards distributing these dividends to shareholders of Mining Corp., we might point out that the whole object of a company such as Mining Corporation is to develop prospects into production. Were the company to distribute the dividends it received, it would, in the first place be a very small amount when distributed among shareholders and in the second place the company could never expand, inasmuch as it would never build up sufficient reserve to develop a property to a commercial basis. This, briefly, is the policy of Mining Corporation. If this policy is adhered to, we can see no indications of a dividend in the near future.

On the other hand, Mining Corp. has several promising prospects such as Normetal, Laguna and a share interest in McKenzie Red Lake, a producing gold mine. If base metal prices improve, Mining Corporation is in a position to take advantage of the price increase.

Tashota Goldfields

We would appreciate it if you would let us have information, as well as your opinion, regarding the Tashota Goldfields.

Tashota Goldfields started producing on its property in the Thunder Bay district of Ontario, with a 50-ton mill, last April. Engineers expect the grade of ore will ultimately run at about .432 ounces gold per ton. Some silver is also present and is, together with copper values, estimated at $1.20 per ton additional at current prices. Mining and milling costs have been so far about $6.90 and other operating costs bring the total to about $8.60 per ton. Yearly production on the basis of a 50-ton mill should be about $2.5 millions. It has been estimated that earnings from the 50-ton mill will be roughly $900,000.

The company is under the management of Minefinders, whose engineer, E. J. Fockler has estimated that on the first two levels, 28,000 tons, sufficient to operate a 50-ton mill for two years, have been developed.

The balance sheet as at December 31, 1934, showed a cash balance of $27,000, current assets of $75,000; liabilities, $10,000. Of the authorized capital stock of three million shares at $1 par value, 2,592,568 shares have been issued.

NORTRAC MINING CO. FINDS NEW OREBODY

Walz Feels Discovery More Important Than Original

Andrew Walz, directing development work at the property of Nortrac Mining Co. near Amos, Que., reports a discovery of a second ore body paralleling the original discovery to the east.

The new ore body was discovered by crosscutting from the north drift of the original discovery at the 100-ft. level. It was approached by two crosscuts, No. 4 and No. 5

In No. 4 crosscut, the average of six channel samples over a combined width of 12.8 ft. gave an average grade of $9.80, with gold at $35. This average covers a true width of the vein for about 6 ft.

In No. 5 crosscut, the face, over a width of 3.7 ft. showed a grade of $11.20 at 16.5 ft. in from the main north-south drift.

In his report, which is dated Dec. 27, Mr. Walz comments: "It seems to me that this new disclosure is of more importance than the original discovery, and its development by additional drifts and crosscuts will proceed."

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Women Will Be On Big Boards When They Qualify In Experience

Discussing "Why" Banks, Insurance, Loan and Trust Companies, Choose Only Men Directors

For Men Only?

If a modern Noah built an ark large enough to house one man and one woman engaged in each type of Canadian business his cabin space for female directors would go largely untenanted.

Specimens of male directors of insurance companies, manufacturing plants, financial institutions and every other phase of Canadian endeavor, he would have no difficulty in securing. But Noah would scour Canada almost in vain to find women who occupy such positions.

There are women prospectors, lawyers, senators, farmers, doctors and taxi drivers, just as there are male nurses, housekeepers, cooks and dressmakers. But it is a rare board of directors indeed where it is necessary for the chairman to open proceedings with—"Ladies and Gentlemen."

Wellington Jeffers in the accompanying article tells why.

By WELLINGTON JEFFERS

Why are board meetings of powerful institutions barren of femininity? Why are meetings of directors of companies engaged in the heavy industries also ungraced by the presence of women? Why are board meetings even of commercial and light industrial companies largely unattended by women?

Women are financially interested in all these companies. There are nearly as many women shareholders as men in the important companies of Canada and their numbers are increasing yearly. Inspect the wills of rich directors on some of these boards, and it will be found that the very men who have never thought of giving women representation on important directorates, plan to bequeath ownership of a large number of shares in these very companies to their wives, daughters, sisters or nieces. By this process of inheritance women have come into possession of some of the largest fortunes of Canada. But they prefer to be represented in most cases on these boards by men.

There is also a large and growing class of women who are succeeding in business ventures. They as well as certain well-paid women executives and professional women are establishing investment funds and becoming owners of considerable blocks of shares of companies that attract them.

Where Directors Come From

The Financial Post asked the officer of one important financial institution of national scope why no women sat on the boards of the large financial institutions. This officer has had to do with every type of financial and industrial organization. He knows most of the directors of large institutions and probably knows why each was selected to sit where he does. He knows as well that women figure largely in the shareholdings of some of these institutions.

Yet this is what he answered,—"Do you know this is the first time that question has ever been put to me. I have never once heard it discussed by boards or large groups of shareholders faced with the problem of selecting new directors.

"I would say first that it is not due to any antipathy to the idea of women sitting on the board. The question of getting a director for an important board turns on the person's qualifications, his experience with men and affairs, to some extent doubtless on the size of his own investment and on the value to the company's business of having that man on its directorate.

"Consider the sources of directors for the big bank, insurance and mortgage and loan and trust company boards. The only people available are executives who have won their spurs in finance, in business and in industry. Women are doing excellent and valued work as stenographers, typists, secretaries, clerks and filers in these institutions. There are many others who have succeeded with retail businesses, who have made successes as buyers, as interior decorators, and as heads of departments of large mercantile institutions. But that is not just the type of experience and ability which is needed on boards.

A Searching Question

"You might just as well carry your query back farther one step, and ask, 'Why are there not more women acting as presidents, general managers and assistant general managers of large companies and institutions?' It is from these chief executive officers that boards are recruited. Probably there must always be a few leading lawyers, chartered accountants and engineers but they are taken only as they can contribute materially to the solution of fundamental problems confronting such boards. The point is that women must first be occupying these positions of leadership before they are asked to sit on boards.

"You are right in supposing that many women are important shareholders of our large institutions. Not one has asked for such representation as you speak of. So far as I see, they would not want such responsibility until they are ready for it. They would think their investment safer to have directors of the widest experience in charge of decisions. When women have acquired experience in these high executive positions they will certainly be asked to become directors.

"I would suppose that where women do sit on boards of mercantile or industrial companies it is because they have large interests or have worthwhile experience in the particular field of these companies. On boards of industrial companies you will find few women because few women have acquired outstanding success as executives in those industries first. In the commercial field you find more women directors because more women have attained outstanding success and experience in the retail field. But so far women have not advanced beyond the secretarial and clerical positions in the fields of banking, finance, heavy industry and public utilities."

Forty Women Are Directors

A search of 382 pages of The Financial Post Directory of Canadian Directors shows less than forty women in a list of about 6,500 names. This list includes directors of every type of Canadian institution and company but leaves out a number of small private companies.

The Financial Post Directory of Directors shows that most of the women who are on boards are secretary-treasurers, secretaries, assistant treasurers or accountants. In a mercantile institution of such nation-wide importance as the T. Eaton Co., one finds Lady Eaton as vice-president and director and Mrs. J. S. Burnside as director. This includes subsidiaries like the T. Eaton Life Insurance Company as well. But The T. Eaton Co. shares are not distributed to the general public and the shares are not quoted on the exchanges of Canada. Looking over the larger companies of Canada one will find important instances where widows, succeeding to control of large firms, continue an active interest for many years. Sometimes they are acting as trustees for a son until he comes of age or has had sufficient experience to take hold himself.

A Wide Field

There is only one outstanding Canadian instance of a woman who is president and managing director of a large company whose shares have been sold to the public and who has risen through her own efforts to that position.

That is Miss Mabel R. Sutton, president and managing director of Consolidated Press, Toronto.

Many small businesses in Canada are being run successfully by women. They have invaded the professions. There are women lawyers, there are women doctors. A woman has sat on the bench as magistrate. There has been a woman cabinet minister in British Columbia and they have often run missionary and other organizations with conspicuous business ability.

In the field of letters, the women possibly exceed the men in the number of books they write and they are increasing their contributions yearly.

The search brings up the question therefore in an aggravated form, "Why is it that only a fraction of one per cent of directors of Canadian companies are women?" If their interest in the welfare of these companies was the determining consideration it is obvious that there would be one woman director for every man.

Woman's Place in Industry

But consider the matter from the point of view of woman's experience in industry, finance and commerce in Canada as suggested by the executive already quoted.

There is one woman gainfully employed in Canada for every five men so employed. But the choice is really much narrower than that. A number of young women included in this computation will be married. For example, there is nearly one woman to every two men working for gain in the age group from 20 to 24 years of age. In the age group from 25 to 34 years there is only one woman to every five men, from 35 to 44 years one woman to every 8½ men, and after 44 years one woman to every ten men. The proportion of women to men in business increases slightly in the age groups over 64 years as women lose their husbands and find themselves in many cases obliged to earn again.

On June 1, 1931, the census statistics showed that 97.83 per cent of the male population of Canada in the age group from 35 to 44 years was gainfully employed and 12.99 per cent of the female population of the same age. The proportion of married women employed increases with age; there is one married woman out of every seven employed from 25 to 34 years; and nearly one in three women employees thereafter.

In the age groups from which most directors are drawn, that is from 35 to 70 years, there is only one woman gainfully employed to every ten men. But further allowance has to be made for the fact that 345,682 women, or more than half of the total are engaged in rendering professional, personal and clerical services which do not lead toward presidencies, general managerships, or boards of directors. Nearly 13 per cent of gainfully employed women are in manufacturing, more than 8 per cent in commerce.

In the higher positions where both men and women must get the broad experience which recommends them for choice as directors, the percentage of women is even less than the percentage of women on directorates. In manufacturing of vegetable foods, for instance, there are 465 men who are owners or managers to one woman. The following table shows how far women are qualifying themselves by experience in managerial positions:

Owners and Managers
(As of June 1, 1931)

Industry:	Men	Women
Tobacco products	200	2
Rubber products	356	1
Animal foods	2,057	9
Furs and fur goods	249	10
Leather & leather goods	1,314	9
Textiles	1,140	19
Textiles and wearing apparel	2,632	179
Wood products	4,489	15
Pulp & paper	1,140	5
Printing, publishing	2,568	66
Metal products	6,571	28
Retail stores	94,168	6,706
Wholesale, etc.	13,301	107
Sales people*	100,605	44,982
Teachers*	18,283	64,695
Coal mines	367	1
Other mining	882	5

*Not managerial but shown for purposes of comparison. As overseers and foremen women occupy a much larger percentage of the positions than they do as owners and managers. A proportion of them may later qualify as managers.

Binding Wounds of Society

Statistics show that women have captured a large percentage of clerical jobs. There are nearly 20 typists and stenographers who are women to one who is a man, more than six women office appliance workers to every man and almost as many women as men acting as bookkeepers, cashiers and office clerks. Women are pre-eminent in those jobs that approximate what conservatives consider woman's true sphere, that is, in adorning the home or binding the wounds of society and people. Nearly all nurses in Canada are women and women social welfare workers are twice as many as men. There are more women who are musicians and music teachers. Women are pre-eminent and successful as editors, authors, journalists, librarians, photographers, artists, sculptors and painters, though they are still outnumbered by men in each of these.

There are 27 women brokers in Canada. Everyone knows how large a part women had in the trading in stocks during the boom days and in the losses of the stock market crash.

Like most men of the period they were speculators rather than investors and that experience of itself is no recommendation of them as directors. There were real investors among them and competent speculators as well, however. The boom resulted in arousing a continuing interest by many women in finance. They are studying as never before what companies do and how boards of directors manage.

Splendid Record

Long experience in bargaining to buy or sell tangibles and in the study of human nature under such conditions has been a good basis even for homemakers to study further. Women do not feel themselves inexpert in administration or conservation of funds They have shown pronounced ability in that way in personal relations and in large national organizations of women, in missionary societies run and financed by themselves and in devising, managing and bringing to a successful and profitable conclusion various entertainments, spectacles, campaigns for charities and other purposes. They have organized and run large schools and colleges, taken over the restaurant business of large mercantile and other corporations, control the dietetics of important hospitals and hotels and taken charge of such departments as the Chatelaine Institute.

In the United States, Cathrine Curtis has formed an organization known as Women Investors in America. Because women in the United States own $210 billions of the nation's wealth this organization went to Washington for the first time in 1935 to protest on behalf of women investors against taxation affecting their interests. In four of the largest corporations, including General Motors, the women make up at least half of the shareholders. They defeated the La Guardia tax measure.

Begin to Organize

Miss Curtis has made herself in the United States the protagonist of women investors' rights. She wants them to feel their importance as investors. She claims that women own directly or indirectly 70 per cent of the United States and half the stock in large corporations. They are heavy taxpayers and have a stake in the sound conduct of companies. The work so far has been educative, legislative and protective. But with growing experience and ability the phenomenon of women directors will cease to be a rarity. It may be best to make haste slowly for sound judgment is the sine qua non.

Gaining Experience

In Canada as well women will move forward to whatever positions on boards and executives their ability and experience qualifies them for. They are doing the preliminary work now in gaining experience and success in law, business, industry and University courses in Commerce and Finance.

It is their task first to acquire generally such a knowledge of business and finance that the old saying ceases to have point; that the widow and the woman falling heir to money are the natural prey of the sharper, high pressure salesman and confidence man. The more they know of these things the better it will be for themselves and for Canada as a whole.

As things stand women have more confidence in men than in women and, as shown, there is real reason for this attitude because the men have so far had all the experience. But women are rapidly gaining a foothold in business and finance and industry and so acquiring that experience.

Appointed Sales Manager

MORLEY E. McKENZIE

Former director of the Ontario Provincial Savings Bank, who has been appointed general manager of sales of Distillers Corp. Ltd. for Canada.

New Brunswick Tourist Traffic Greater in 1935

From Our Own Correspondent

MONTREAL. — Tangible results from the advertising and distribution of literature carried on by the New Brunswick Bureau of Information and Tourist Travel is seen in the entry of tourist cars at the various customs points along the International Boundary between New Brunswick and the State of Maine.

Records of 1934 disclose that automobiles entering the province through border points numbered 742,878 for 24-hour periods, 50,709 for 60-day periods. Last year there were 804,015 cars admitted for a 48-hour period and 49,086 for the regular vacation period of 60 days. The respective total thus produced gives 793,587 cars for 1934 compared with 853,101 for 1935.

Vancouver Apartments

Apartment houses in Vancouver showing no vacancies reached the record figure, of 92 out of 120 buildings in November, according to a survey made by H. A. Roberts, Vancouver real estate authority.

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New Books

THE ST. LAWRENCE DEEP WATERWAY. By C. P. Wright. Published by the Macmillan Company of Canada, Toronto. Price $4.50.

It is now more than three years since Canada and the United States signed a treaty for the construction of the St. Lawrence Waterway. The United States Senate has yet to ratify the treaty, and it will not be brought before the Canadian Parliament until American legislators have dealt with it. In the meantime, a great many people have done some serious thinking about the waterway and no longer respond to the easy enthusiasms of propagandists. Failure of the United States Senate to ratify the treaty, if presented to them a second time, would be a blessing very thinly disguised. For it would make it necessary to approach the question of the construction of the St. Lawrence ship canal from a fresh viewpoint.

Mr. Wright's volume differs from the many that have gone before in that it is a critical analysis of various phases of the work and records at great length the history of the studies and negotiations, apparently with the purpose of demonstrating that both Canada and the United States have rushed into the project without sufficient knowledge of the economic background. Mr. Wright leaves his readers seriously up in the air. He gives the impression that he wants to see the waterway built but he makes it clear at the same time that he does not regard the economic case for the waterway as having been proved.

He gives credit to the engineers for having done a fair job in preparing plans and estimates. He says that in its technical aspects the whole colossal undertaking would seem to be perfectly sound. But he questions if the economic prospects of the waterway have received scientific and repeated consideration. He has been unable to answer to his own satisfaction the question, "Will the immense expenditures really pay?"

Propaganda at Work

Mr. Wright records the history of the propagandist activities of the Great Lakes-St. Lawrence Tide Water Association. It is largely through the activities of the Association that a colossal expenditure for a very doubtful project is in danger of being foisted upon the people of the United States and Canada.

Mr. Wright pays a great deal of attention to the question of depth and contends that 27 ft. is quite inadequate to meet the requirements of Canadian foreign trade. It would not permit a sufficiently large proportion of British shipping to navigate the waterway, and it would have economic effect in locating transshipment centres at points apparently unforeseen by most of the engineers who worked on the problem.

Question of Costs

Mr. Wright questions too the basis of allocation of costs of the waterway and indicates the dilemma that it creates. Canada is asked to make equal expenditures on the waterway, largely for the benefit of the domestic commerce of the United States, and yet Canada does not desire to permit the United States to bear its share of the cost of construction since this might be regarded as an invasion of Canada's sovereign rights.

In the main Mr. Wright's volume is a plea for a further reckoning of the comparative costs and the estimated benefits. This plea is so logical and fair that it should be listened to by the governments of both countries.

A great deal of attention is paid to the history of the negotiations to date, and particularly to the unfortunate Beauharnois episode. While students of the waterway will appreciate the comprehensive and accurate record that has been prepared, it makes the volume unnecessarily long and involved for the general reader. Clearly, it is up to Mr. Wright now to produce a much condensed copy of his volume, particularly one in which his various conclusions and recommendations are set forth in a summary chapter. The omission of such a summary of his main points detracts from the value of the present volume, which is very obviously the result of some years of very painstaking work.

Mr. Wright is a Nova Scotian, a graduate of Oxford and Harvard, who has made a number of studies on subjects of Canadian trade and Canadian transportation.

THE SPIRIT OF GENEVA. By Robert De Traz. Published by The Oxford University Press, Toronto. Price, $1.75.

There are a few people who still regard the League of Nations as the highest possible exemplification of the idealism expressed by Woodrow Wilson at the Peace Conference. And there are a great many more who regard it as a futile debating society, as a sounding-board for political speeches intended for consumption back home or as a new bureaucracy that has simply served to create thousands of additional jobs for experts in red tape. Possibly the real truth lies so vaguely in the gulf between that true appraisal of the League and its work is not possible. When one looks for genuine achievement on the part of the League of Nations one finds many minor victories to record and few major ones. But because no one can say what might have happened in the world had there been no League, it is not possible to express a conclusive opinion.

The author of this volume is a Frenchman who writes less of the technique and the accomplishments of the League than of the spirit in which it operates. Of greatest interest is his history of the city of Geneva, of the men who have lived there and the movements that have started there, all with a direct spiritual affinity to the modern League of Nations. The slow moving dialectics of most of what M. De Traz has written will not have a great appeal to the average reader, although it will supply an infinite number of happily phrased sentences for League advocates to quote.

More sober reflections on Geneva are found in a most readable foreword by André Maurois. Maurois has few illusions as to the present competence of the League, but he has a keen appreciation of the higher promise it affords for the future.

Appoint New Manager For Windsor Hotel

The appointment of W. A. Stead as manager of the Windsor Hotel, Montreal, is announced by J. Alderic Raymond, vice-president of the company.

Mr. Stead's hotel experience covers a wide and varied field in both Canada and United States. For the past four years he has been manager of the Royal Connaught Hotel, Hamilton. He is past international president and a life member of the Hotel Greeters of America, the largest hotel organization in the world.

Lobsters Bring Wealth To Western Nova Scotia

From Our Own Correspondent

MONTREAL. — Nearly $500,000 worth of lobsters were caught in December along the coast of western Nova Scotia. This amount of money has not yet been realized, as many of the lobsters caught are being held in Yarmouth and vicinity in order to maintain regularity of supplies in marketing. The fishermen, in most cases, have already been paid, with the exception of a few, who are financially able to carry their own catches.

The BACHELOR'S CORNER

"Thank You!"

It now being about "Twelfth Night", it's about time I sat down and got out my thank-you letters for Christmas gifts received. Perhaps you have yours all done. If you have, read no further; you're not the kind of person I like to have anything to do with.

I take to letter writing with all the impetuous, headlong eagerness of a cat to high diving. It is now that I wish I had not left the job till so late. If I had been smart I would have acted the day each present arrived. Then I could have taken advantage of the telegraph company's slogan, "Don't write — telegraph." I can say thank you charmingly in ten words. And, speaking of ten words that fall easily on the ear, how about

"IT'S GOOD TO GET BACK TO A TEN CENT CIGAR!"

WILSON'S BACHELOR Cigar
10¢
100% Havana Filler

Pacific Coast Terminals Gets Fixed Assessment

From Our Own Correspondent

VANCOUVER. — Ratepayers of New Westminster have voted their approval of a by-law authorizing the city council to grant Pacific Coast Terminals, Ltd., a fixed assessment of $378,000 for twelve years.

Result of this vote is that the last obstacle in the way of absorption of the terminals company by Consolidated Mining & Smelting Company has been eliminated. The provincial government will pass legislation necessary to give effect to the by-law at once.

Consolidated Smelters has undertaken to make all its Pacific shipments, chiefly metals and fertilizers, through New Westminster.

The new company has also agreed to spend all its profits for the first five years of operation on expansion and immediately to add two stories to the cold storage plant at New Westminster.

Fish Export Ruling

On the recommendation of the Salt Codfish Board, the Newfoundland Commission of Government has ruled that no fish shall be shipped from Newfoundland to Puerto Rico except on the basis of outright sale.

REDUCED RATES
on Telephone Calls
to the MINING COUNTRY

Revised schedule of long distance telephone rates, *effective Wednesday, January 15th*, on the lines of the Temiskaming and Northern Ontario Railway Company, makes possible reduced charges on calls to the chief mining centres of Northern Ontario and Quebec — Rouyn, New Liskeard, Cobalt, Timmins, Swastika, Haileybury, and other points in the mining area.

The T. & N.O. have installed additional equipment and completed training courses which should result in improved service to the mining centres.

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